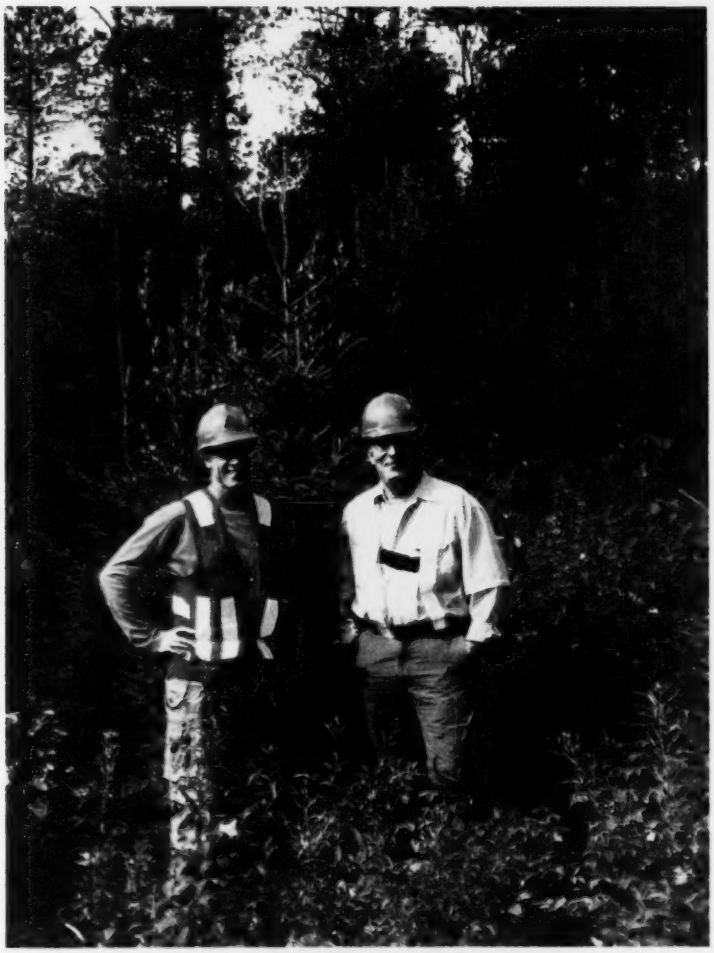
KENORA FOREST

INDEPENDENT FOREST AUDIT
2003-2008



Arbex Forest Resource Consultants Ltd.
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Table of Contents

1.0. EXECUTIVE SUMMARY i
2.0. INTRODUCTION 1
2.1. Audit Process 1
2.2. Forest Management Context 6
2.2.1. Map of Management Unit (SFL) 8
2.2.2. Description of the Management Unit 8
2.2.3. Forest Management Issues 12
3.0. SUMMARY OF AUDIT FINDINGS 14
3.1. Commitment 14
3.2. Public Consultation and Aboriginal Involvement 15
3.2.1. Local Citizens' Committee 15
3.2.2. FMP Standard Public Consultation Process 17
3.2.3. Issue Resolution 17
3.2.4. Individual Environmental Assessments 18
3.2.5. Aboriginal Involvement in Forest Management Planning 19
3.2.6. Annual Operations Public Inspection and/or Consultation 24
3.3. Forest Management Planning 24
3.3.1. Plan Author, Planning Team, Chair and Advisor Activities 24
3.3.2. Introduction 26
3.3.3. Management Unit Description 26
3.3.4. Strategic Direction 27
3.3.5. Operational Planning 29
3.3.6. FMP Submission, OMNR Plan Review and Approval 33
3.3.7. Contingency Plans 33
3.3.8. FMP or Contingency Plan Amendments 33
3.3.9. Annual Work Schedules 34
3.4. Plan Assessment and Implementation 34
3.4.1. Plan Assessment 34
3.4.2. Areas of Concern 36
3.4.3. Harvest 36
3.4.4. Renewal 39
3.4.5. Tending and Protection 43
3.4.6. Renewal Support 48
3.4.7. Access 49
3.5. System Support 50
3.5.1. Human Resources 50

3.5.2. Documentation and Record Quality Control 51
3.6. Monitoring 52
3.6.1 District Compliance Planning and Associated Monitoring 53
3.6.2. SFL Holder Compliance Planning and Monitoring 55
3.6.3. Silvicultural Standards and Assessment Program 57
3.6.4. Monitoring Indicators of Forest Sustainability 59
3.6.5. Annual Report 59
3.7. Achievement of Management Objectives and Forest Sustainability 60
3.7.1. Report of Past Forest Operations (RPFO) or Year Ten Annual Report (AR) 60
3.7.2. Assessment of Objective Achievement 61
3.7.3. RPFO or Year Ten AR Assessment / Determination of Forest Sustainability 66
3.7.4. Comparison and Trend Analysis of Planned vs. Actual Forest Operations Report 67
3.7.5. Conclusions Regarding Sustainability of the Crown Forest 69
3.8. Contractual Obligations 73
3.8.1. Sustainable Forest Licence 73
3.8.2. Concluding Recommendation 84
4.0. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS 84

APPENDIX A
COMPARISON AND TREND ANALYSIS OF PLANNED VS. ACTUAL FOREST OPERATIONS REPORT

APPENDIX B
AUDIT TEAM MEMBERS AND QUALIFICATIONS

APPENDIX C
INDEPENDENT FOREST AUDIT GUIDING PRINCIPLES

APPENDIX D
LIST OF ACRONYMS

APPENDIX E
SUMMARY OF INPUT TO AUDIT PROCESS

List of Tables

TABLE 1. IFA FIELD SAMPLING INTENSITY ON THE KENORA FOREST 4
TABLE 2. AREA SUMMARY OF MANAGED CROWN LAND CLASSIFICATIONS 9
TABLE 3. OMNR COMPLIANCE INSPECTIONS, KENORA FOREST 2003-2008 54
TABLE 4. INDUSTRY COMPLIANCE INSPECTIONS, KENORA FOREST 2003-2008 55
TABLE 5. SUMMARY OF THE STATUS OF THE 2001 KENORA FMP OBJECTIVES 61
TABLE 6. SUMMARY OF ACHIEVEMENT OF FOREST SUSTAINABILITY INDICATORS 69
TABLE 7. CONTRACTUAL OBLIGATIONS AND ASSESSMENT OF PERFORMANCE SFL # 550400 73
TABLE 8. SUMMARY OF 2004 IFA RECOMMENDATIONS AND THE STATUS OF THE RECOMMENDATIONS AS OF SEPTEMBER 2008 78
TABLE 9. SUMMARY OF THE AUDIT RECOMMENDATIONS TO WEYERHAEUSER AND/OR OMNR KENORA DISTRICT ... 87
TABLE 10. SUMMARY OF RECOMMENDATIONS TO CORPORATE OMNR 89

List of Figures

FIGURE 1. WORKING CIRCLES OF THE KENORA FOREST 7
FIGURE 2. MAP OF THE KENORA FOREST 8
FIGURE 3. WORKING GROUP DISTRIBUTION FOR THE CROWN MANAGED PRODUCTIVE FOREST. 10
FIGURE 4. AGE CLASS DISTRIBUTION FOR THE CROWN MANAGED PRODUCTIVE FOREST. 11

1.0. EXECUTIVE SUMMARY

This report presents the findings an Independent Forest Audit of the Kenora Forest (SFL # 550400) conducted by Arbex Forest Resource Consultants Ltd. for the period April 1, 2003 to March 31, 2008. Specifically, the audit assessed the last 3 years of the 2001-2006 Forest Management Plan (FMP) and the first 2 years of the 2006-2011 FMP.

The SFL holder is Weyerhaeuser Company Ltd. (Trus Joist Kenora Operations). Corporate and Regional OMNR and overlapping licensees and contractors were also considered as auditees to the extent that forest management activities carried out by them were the subject of IFA examination.

The audit conformed to the requirements of the 2008 Independent Forest Audit Process and Protocol (IFAPP) prepared by the Ontario Ministry of Natural Resources (OMNR). The IFA process is based on a detailed assessment of eight broad principles. Each principle has associated criteria which are examined to determine if the management of the Forest was in compliance with provincial legislation, regulations and policies that were in effect during the audit term.

The continued inability to achieve planned harvest levels is a large factor jeopardizing the achievement of the long term management direction for the Forest. There have been long-standing issues related to full access to the four Working Circles on the Forest. Working Circle 3 has historically accounted for the majority of the timber harvested and a more equitable distribution of the cut is required across all the Working Circles. Despite these management challenges it is our opinion that forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol.

The audit team concludes that management of the Kenora Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence. The audit team recommends the Minister extend the term of Sustainable Forest Licence # 550400 for a further five years.

This conclusion was based on the following audit findings:

- Appropriate information was available to support forest management planning efforts. Information on the forest and its values was relatively current and sufficient to meet planning requirements.
- Forest management planning activities adhered to FMPM requirements.
- A Local Citizens Committee (LCC) was properly constituted and actively participated in the planning and implementation of forest management.

- Areas of Concern were appropriately protected through proper planning and prescription implementation.
- Forest management activities (e.g. harvest, renewal, tending) adhered to appropriate manuals and operations and were implemented with minimal evidence of environmental degradation.
- Forest operations were compliant with forest management standards.
- Compliance monitoring was appropriate for the level of operations.
- Forest management records were generally well organized, accessible and current.
- OMNR met its obligations for Aboriginal involvement in forest management planning.
- OMNR and Weyerhaeuser met their obligations to assist First Nation communities to participate in the forest economy.
- Recommendations of the 2004 IFA were satisfactorily addressed.

The audit provides eight recommendations to provide for improvements in the forest management program. These recommendations address requirements to:

- Meet FMPM reporting requirements in the production of Annual Reports (i.e. monitoring of exceptions in the silvicultural ground rules, reporting on natural regeneration) and the Year Ten Annual Report.
- Improve monitoring of conifer artificial renewal on competitive sites (particularly conifer mixedwood forest units).
- Include other treatment options in the conifer tending program.
- Address the need for corporate OMNR and Aboriginal leaders to share a common understanding of what the forest planning process can and cannot accomplish, and to understand why First Nations have such limited participation in the forest management process in northwestern Ontario.
- Assess the adequacy of OMNR compliance inspections over the last 2 years of the audit period.
- Provide for a decision with respect to the on-going inclusion of the Aulneau peninsula (Working Circle # 4) in wood supply calculations.
- Complete assessments of regeneration on X,Y and Z lands on the unit.

2.0. INTRODUCTION

This report presents the findings of an Independent Forest Audit of the Kenora Forest (SFL # 550400) conducted by Arbex Forest Resource Consultants Ltd. for the period April 1, 2003 to March 31, 2008. This audit assessed the forest management activities of Weyerhaeuser Company Ltd. (Trus Joist Kenora Operations) and the Ontario Ministry of Natural Resources, Kenora District. Corporate and Regional OMNR and overlapping licensees and contractors were also considered as auditees to the extent that forest management activities carried out by them were the subject of IFA examination.

The scope of the audit is determined by the OMNR and audit procedures and criteria are specified in the 2008 - 2009 Independent Forest Audit Process and Protocol (IFAPP) developed by the OMNR. The intent of the IFAPP is to provide a consistent and comprehensive method of evaluating forest management activities on Crown land and to ensure that the findings of the audit are supported by documented evidence.

The audit scope included the last 3 years of the 2001 Forest Management Plan (FMP) and the first 2 years of the 2006 FMP. The audit also examined the planning and development of the 2006 FMP.

2.1. Audit Process

The Crown Forest Sustainability Act (CFSA) requires that Sustainable Forest Licences (SFL) be audited every five years by an Independent Auditor. The audit also applies to the Ontario Ministry of Natural Resources (OMNR), and all licencees on the SFL. The audit considers the compliance aspect of forest management planning by reviewing the management plan in relation to specific planning manual requirements in place at the time of plan approval, including a review of actual operations and required monitoring and reporting. The effectiveness of forest management activities is examined based on planned vs. actual results as verified through record examination and field sampling. The audit reviews whether actual results in the field are comparable with planned results and determines if they are accurately reported.

The IFAPP provides a comprehensive and consistent method of evaluating forest management activities on Crown land. It contains individual procedures that direct the Independent Auditor to collect, analyze, interpret and document appropriate information to determine if various criteria have been met. The results of the evaluation of evidence against the criteria determine the audit findings. Those findings are then analyzed and aggregated to determine the audit results.

The IFAPP states that the purpose of the Independent Forest Audit (IFA) is to assess:

- The compliance of forest management planning activities with the Forest Management Planning Manual (FMPM) and the Crown Forest Sustainability Act (CFSA).
- The compliance of forest management activities with the CFSA and with the Forest Management Plans, the manuals approved under the CFSA and applicable guides.
- The effectiveness of forest management activities in meeting the forest management objectives set out in the Forest Management Plans, as measured in relation to the criteria established for the audit.
- The relative success of forest management activities carried out compared to those that were planned.
- The effectiveness of any Action Plans implemented to remedy shortcomings revealed by a previous audit.
- The licensee's compliance with the terms and conditions of the Forest Resources Licence.

The audit process is based on a detailed assessment of eight IFAPP principles:

- Commitment,
- Public Consultation and Aboriginal Involvement,
- Forest Management Planning,
- Plan Assessment and Implementation,
- System Support,
- Monitoring,
- Achievement of Management Objectives and Forest Sustainability,
- Contractual Obligations.

Each IFAPP principle has a series of specific criteria which, if met, will result in the achievement of that principle. The specific criteria are based on applicable legislation, manuals, and guidelines related to forest management contained in the 2008 - 2009 IFAPP.

The audit was conducted by Arbex Forest Resource Consultants Ltd. (Arbex). A list of the audit team members and their qualifications is presented in Appendix B.

The audit consisted of the following elements:

Audit Plan: An audit plan describing the schedule of audit activities, audit team members, audit participants and the auditing methods was submitted in August, 2008 to Weyerhaeuser Company Ltd., OMNR (Corporate, Region and District), the Forestry Futures Committee and the Chair of the Local Citizens Committee (LCC).

Public Notices: Public input to the audit was solicited by public notice in the Kenora Daily Minor and News, a random mailing to 650 individuals on the Kenora Forest FMP mailing list (35%) and the posting of a survey on the Arbex website.

With direction from the OMNR Native Liaison Officer, invitations to participate in the audit were also sent by mail and e-mail to all First Nations and Tribal Councils with an identified interest in the Forest, and to all members of the Local Citizens Committee. Follow-up telephone calls were also made to all First Nations.

Field Site Selection: Field site selections were made by the Lead Auditor and the Arbex GIS Specialist in June, 2008. Site selections were confirmed and finalized with Weyerhaeuser and OMNR District staff in conjunction with the pre-audit meeting.

Pre-Audit Meeting: The pre-audit meeting was held with Weyerhaeuser and OMNR staff, a LCC representative and an Overlapping Licensee on July 29th, 2008. The meeting outlined the purpose, expectations and deliverables of the audit. The sample of field sites was reviewed and the Audit Plan was discussed.

Pre-audit Document Review and Interviews: The 2001 and 2006 Forest Management Plans and other relevant documents associated with the plans (i.e. Annual Reports, Compliance Plans, Report of Past Forest Operations, LCC and Planning Team minutes, etc.) were reviewed. Telephone interviews and e-mail exchanges were also undertaken with representative stakeholders.

Site Inspections: The audit team spent nine days in Kenora conducting the field audit and completing document reviews and interviews. The objective of the field sampling was to confirm that field activities were conducted in accordance with the FMPs and complied with existing guidelines, laws and regulations that were in effect during the audit period.

As required by the IFAPP, the field inspection sampled approximately 10% of all forest management activities conducted on the forest during the audit period (Table 1). The field sample was stratified to ensure adequate representation of the different silvicultural systems, forest management activity (e.g. tree planting, mechanical site preparation), season of operation, contractors, and year of operation. The audit team also viewed the implementation of Areas of Concern (AOC) prescriptions, water crossings, and road construction and maintenance

work. Areas listed in the "Forest Roads and Maintenance Agreement" and areas invoiced under the "Forest Renewal Trust Specified Procedures Report" were also visited to ensure conformity between invoices submitted to the OMNR and actual work completed. The field inspections included site-specific (intensive) and landscape-scale (extensive) examinations. While individual sites were selected to assess a primary activity (e.g. harvesting, site preparation tending, etc.) all associated activities at the site were also assessed. This allowed the audit team to augment the planned sampling intensity.

TABLE 1. IFA FIELD SAMPLING INTENSITY ON THE KENORA FOREST

Activity	Total Area (Ha) / Number (2002-2007)	Planned Sample Area (Ha)	Actual Area (Ha) Sampled[1] (Primary)	Number of Sites Visited	Percent[2] Sampled (%)
Harvest	9,424	942	1,307	28	14
Natural Renewal	2,863	286	292	5	10
Artificial Renewal	1,957	196	232	8	12
Site Preparation	1,639	164	168	6	10
Tending	5,926	593	594	7	10
Free-to-Grow	21,915	2,192	2,331	29	11
Specified Procedures Report Sites	1,424	142	254	7	18
Areas of Concern[3]	~11,000 ha Modified ~ 600 kms No Cut			~1,100 ha ~ 135 kms	10 23
Water Crossings	51			16	31
Road Construction	334 kms			71 kms	21
Forest Roads and Maintenance Agreement Work	330 kms			225 kms	68

Two members of the audit team attended a meeting of the LCC on September 8th to explain the audit process and solicit additional input from LCC members. A

[1]Not every hectare of the area sampled is surveyed, as this is not feasible.
[2] Percent sampled represents a combination of primary and secondary audit activities inspected on a site.
[3] A significant number of Areas of Concern (AOC) on the Forest are linear features (e.g. riparian areas) as opposed to point features (e.g. nest sites). For this reason the assessment statistics are area and distance based.

member of the LCC participated in the field audit for a full day. Individual interviews were held with nine of the LCC members.

Two audit team members met with members of the Kenora Independent Loggers Association (KILA) to discuss their issues with respect to forest management during the audit period. An additional interview was undertaken with a contractor unable to attend the KILA meeting. Concerns and issues raised by the Overlapping Licensees are summarized in Appendix E.

Twelve First Nations and three Treaty Councils with an interest in the Kenora Forest were notified of the audit by mail. Additional efforts to engage First Nations included notification by e-mails, telephone calls and fax. Verbal contacts were made with all FNs and Treaty Councils. We were informed by 6 Band Offices that the information would be provided to the Chief or the Band forestry representative and they would contact the auditor if they had specific input. In six other communities' forestry and/or economic development staff requested additional information. Two Treaty Council representatives requested additional information. Individuals requesting additional information were e-mailed or faxed copies of the Aboriginal Involvement section of the IFAPP. Follow-up telephone calls to those individuals resulted in four brief introductory discussions and two face-to-face meetings. The Kenora Métis Council was also contacted and sent audit information.

Report: This report provides a description of the audit process and a discussion of our findings and conclusions. Recommendations address deficiencies in forest management and associated processes that require corrective action. Starting in 2008 Recommendations are directed at the OMNR District and SFL holder and/or at the OMNR Region, branch or division. When required, two separate Action Plans will be developed to address audit recommendations.

- Recommendations directed at the OMNR District and/or SFL holder will be addressed in a Management Unit Action Plan.
- Recommendations directed at an OMNR Region, Branch or Division will be addressed in a separate Annual Provincial Action Plan (for all IFA's completed that year) coordinated by Forest Management Branch and Regional representatives.

The MU Action Plan must be submitted for OMNR approval within two months of receipt of the final Audit Report. The Annual Provincial Action Plan must be submitted for OMNR approval within two months of the receipt of the last final Audit Report for the audit year.

A Status Report on the MU Action Plan will be prepared by the SFL Holder and OMNR District and must be submitted for OMNR approval within two years of approval of the Action Plan. Reporting on the status of audit recommendations in

the Annual Provincial Action Plan will be included in Provincial Annual Reports on Forest Management. Status reporting will begin two years following the approval of the Action Plan or more frequently as may be required by the Action Plan.

2.2. Forest Management Context

The Kenora Forest (Management Unit #644) is situated in the Kenora District of the OMNR, Northwest Region. The District administers the Forest as two units; the Kenora West Area and Lake of the Woods Area.

The OMNR is responsible for the FMP review and approval, non-timber forest values collection and data maintenance, ensuring that forest operations are in compliance with the approved plan and for facilitating First Nations and public involvement in forest management.

Figure 2 (Section 2.2.1.) shows the Kenora District boundary in relation to the Northwest Region and provincial boundaries. The Forest covers approximately 60% of the Kenora District. The current boundaries were established in 2002. The Forest is bounded on the west by the Manitoba-Ontario border and to the north by the northern boundary of the Area of the Undertaking (51st parallel). On the east, the Forest is adjacent to the Whiskey Jack Forest.

Weyerhaeuser Company Ltd. (Trus Joist Kenora Operations) assumed responsibility for forest management activities in 2002 under Sustainable Forest Licence #550400. As the SFL holder, the company is responsible for directing harvesting and silvicultural activities (e.g. renewal, tending, and protection) forest management and operational planning, maintaining the Forest Resource Inventory (FRI), monitoring compliance and ensuring the Forest is managed sustainably. Forest management activities are coordinated from the Trus Joist mill in Kenora.

Harvesting operations are carried out by Overlapping Forest Resource Licencees (OFRL) or under the SFL with harvest approvals issued directly to Trus Joist. There are 16 Forest Resource License (FRLs) holders operating on the Forest (includes three First Nation communities). The hardwood timber produced from the Forest is delivered to the Trus Joist mill for the production of manufactured lumber and building products. Conifer material is processed in several Kenora area sawmills and the Abitibi-Consolidated Company pulp and paper mill in Fort Frances. Any unallocated timber is utilized through the open market or consumed as fuelwood.

The FMP divided the unit into four Working Circles (WC) for forest management purposes (Figure 1). These WCs recognize the need for the forest manager to tailor management prescriptions and operations to the unique attributes within each Working Circle (i.e. wildlife habitats, forest conditions, socio-economic conditions, access restrictions etc).

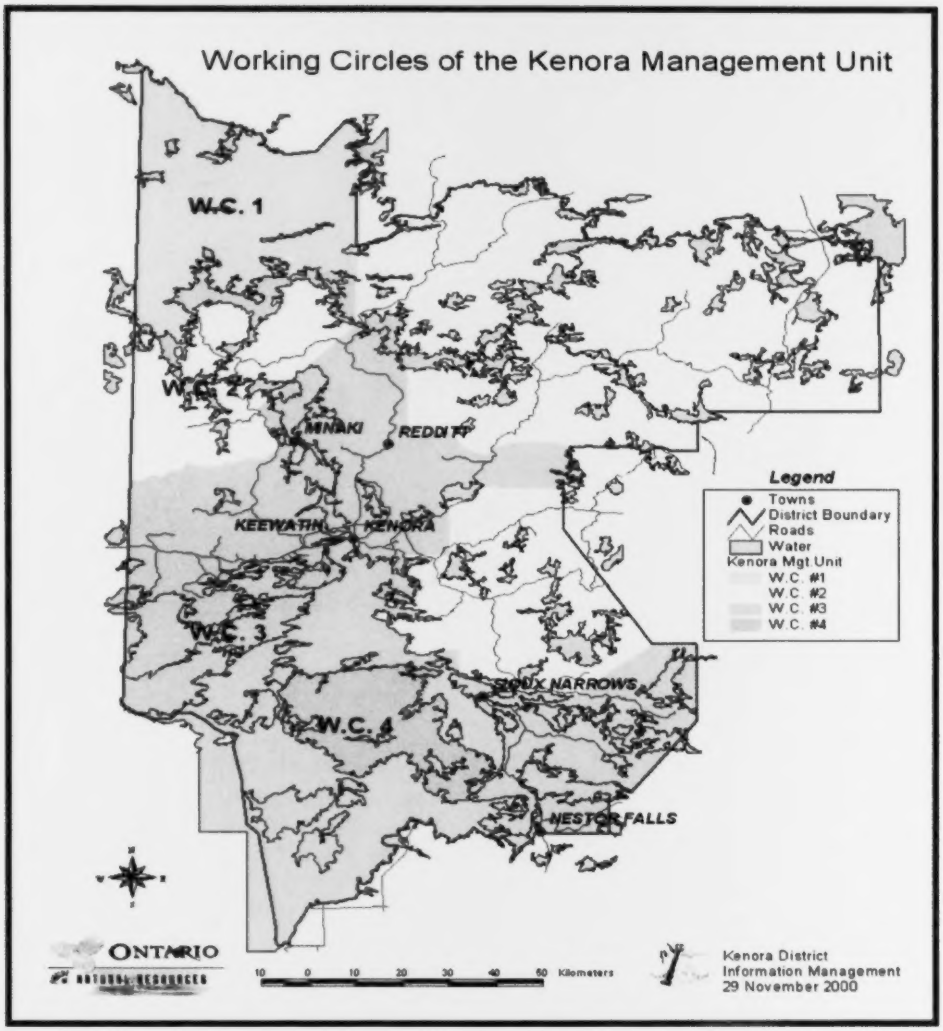


FIGURE 1. WORKING CIRCLES OF THE KENORA FOREST

2.2.1. Map of Management Unit (SFL)

Figure 2 shows the location of the Kenora Forest.

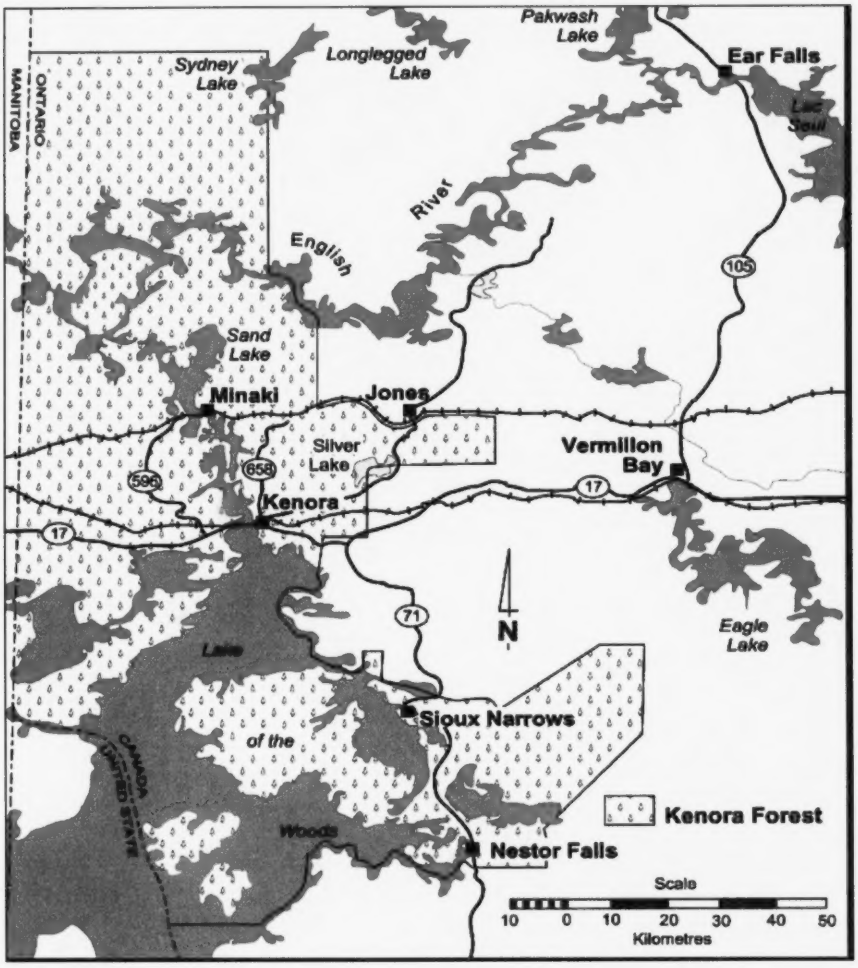


FIGURE 2. MAP OF THE KENORA FOREST

2.2.2. Description of the Management Unit

The Kenora Forest encompasses an area of 1,225,536 hectares (ha) of which 1,137,612 ha (93%) is Crown land. The Crown managed land area is 1,041, 963 ha. The productive forest area under Crown management is 468,743 ha. Table 2 provides a summary of the land classifications of the Crown managed land.

TABLE 2. AREA SUMMARY OF MANAGED CROWN LAND CLASSIFICATIONS

Land Classification	Managed Crown Forest Area (Ha)	Production Forest Area (Ha)
Non-forested Land	404,555.	
Water	398,391	
Other Land	6,164.	
Forested Land		
Non-Productive Forest	116,128.8	
Protection Forest[4]	52,535.5	
Production Forest[5]	468,742.5	
Forest Stands		422,388.0
Barren & Scattered Lands[6]		8,807.5
Depleted[7]		37,547.0
Total:	**1,041,962.5**	**468,742.5**

Source: FMP-1 Table: Management Unit Land Summary in Hectares (2006 FMP)

Two forest regions are represented within the Forest; the Boreal Forest Region to the north and the Great Lakes St. Lawrence Forest region in the most southerly sections of the unit. Forest composition is dominated by poplar, jack pine and white and black spruce working groups (WG). As a result of the transition into the Great Lakes St. Lawrence Forest region balsam fir, eastern white cedar, red and white pine, maple, ash and other hardwoods are also present in the unit. Figure 3 presents the proportional representation of the forest working groups.

In order to attain specific plan objectives, forest working group stands are grouped into forest units (FU). These groupings have similar species

[4] Productive forest land on which forest management activities cannot normally be practiced without incurring deleterious environmental effects because of obvious physical limitations such as steep slopes and shallow soils over bedrock.
[5] Productive forest land at various stages of growth, with no obvious physical limitations on the ability to practice forest management.
[6] Productive forest land which because of natural or artificial disturbance, contains only scattered trees (stocking below 0.25%) or no trees at all with either shrub cover or bare soil, but with no significant amount of regeneration.
[7] Depleted area means the managed forest area on which the merchantable volume has been decreased due to harvest, fire, insects, disease or other causes and where forest renewal is required.

compositions, develop in a similar manner and are managed under the same silvicultural system. Eleven forest units were developed.

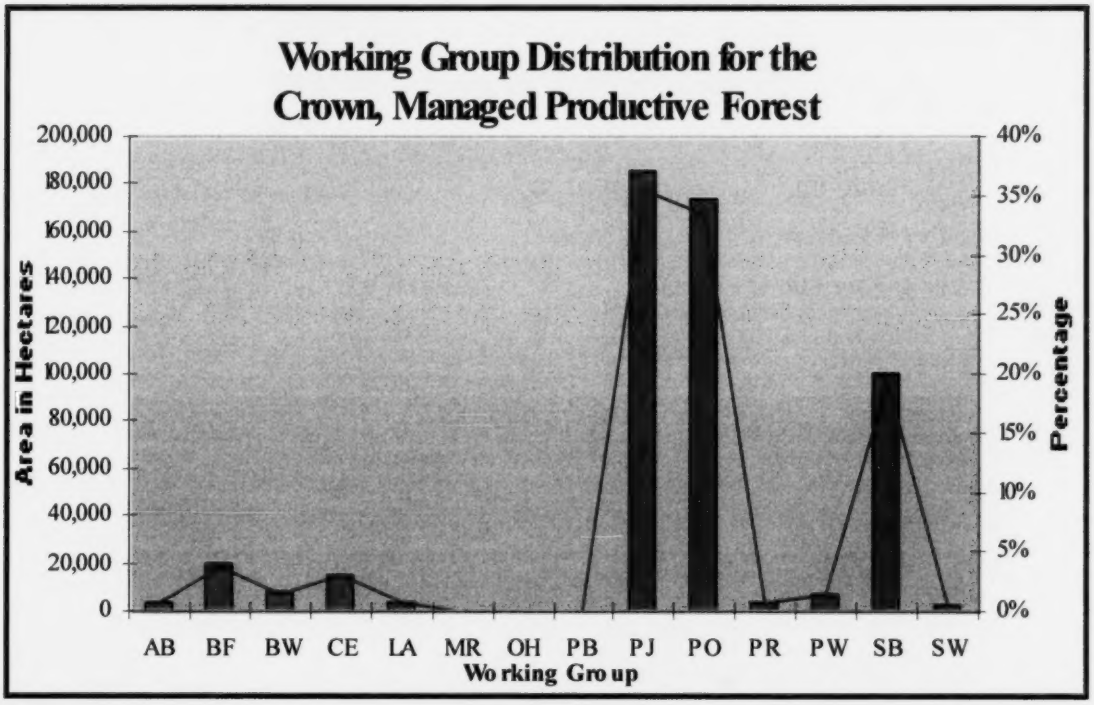


FIGURE 3. WORKING GROUP DISTRIBUTION FOR THE CROWN MANAGED PRODUCTIVE FOREST.

Source: 2006 FMP

Note: AB=Black Ash, BF=Balsam Fir, BW=White Birch, LA=Larch, MR=Red Maple, OH=Other Hardwoods, PB=Balsam Poplar, PJ=Jack Pine, PO=Poplar, PR=Red Pine, PW=White Pine, SB=Black Spruce, SW=White Spruce.

Figure 4 presents the age class area distribution of working groups in the Kenora Forest. Jack pine, spruce and poplar are the major commercial species harvested by forest industry and these working groups have more area in the younger and older age classes with relatively less area within maturing age classes (e.g. 41-60 years). The age class area imbalance associated with these working groups, poses challenges with respect to the provision of a balanced wood supply over time as approximately only 10% of the managed productive forest area is expected to become merchantable in thirty to forty years. The 2001 FMP contemplated investments in silviculture (i.e. tending and thinning) to address long term wood supply commitments. It was also anticipated that the wood supply would be augmented by wood derived from adjacent Forests.

The age class structures of the white pine, red pine, balsam fir , cedar and white birch working groups tend to be mature to overmature (50 years or older). In the

absence of harvesting or natural disturbances the lack of area in the younger age classes of these working groups may have implications with respect to the provision of wildlife habitat and/or other forest values.

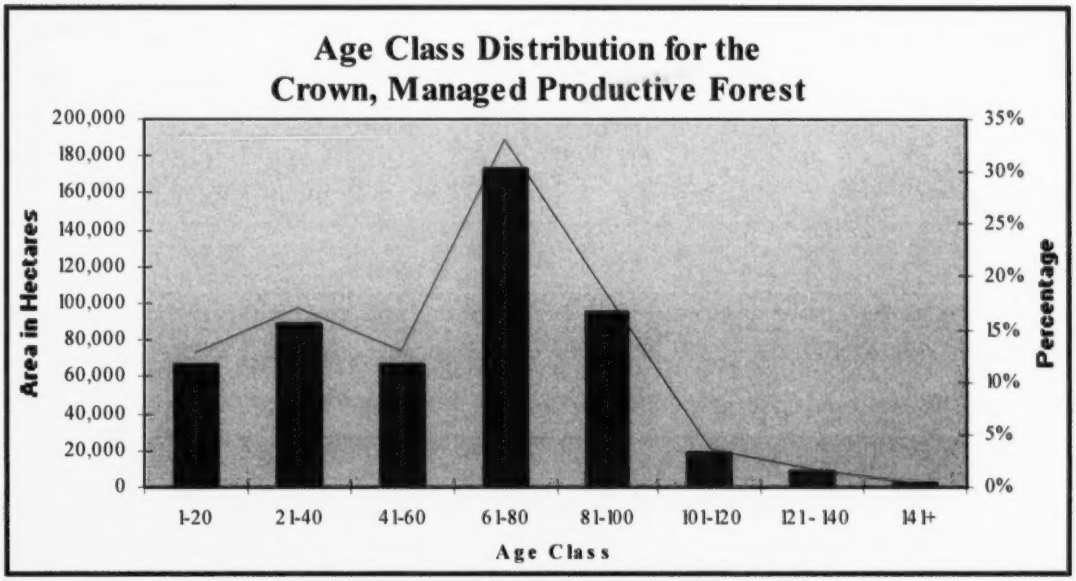


FIGURE 4. AGE CLASS DISTRIBUTION FOR THE CROWN MANAGED PRODUCTIVE FOREST.
Source: 2006 FMP

The Forest has twelve First Nations within or adjacent to its boundary;

- Iskatewizaagegan Independent First Nation (Shoal Lake # 39)
- North West Angle # 33 First Nation
- North West Angle # 37 First Nation
- Ochiichagwe'babigo'inning First Nation (Dalles)
- Shoal Lake # 40 First Nation
- Wabaseemoong Independent First Nation
- Wauzhusk Onigum First Nation (Rat Portage)
- Washagamis Bay First Nation
- Naotkamegwanning First Nation (Whitefish Bay)
- Big Grassy First Nation
- Onigaming First Nation
- Big Island First Nation

The Kenora Métis Council also has interests on the Kenora Forest.

There is a diversity of wildlife. Provincially featured wildlife species include; marten, white-tailed deer, moose, bald eagle and caribou. The Forest contains the largest nesting concentration of bald eagles and the largest colony of white pelicans in Ontario.

There are more than 1,700 lakes (including Lake of the Woods) and three major river systems; the English, Wabigoon and Winnipeg which provide significant recreational opportunities. There are more than 136 tourism establishments and some 8,000 private properties (i.e. cottages) outside of municipal boundaries located within the Forest.

2.2.3. Forest Management Issues

Several forest management issues were identified during in the development of the 2006 FMP. These issues were considered high priority areas for the audit and received special attention. They are briefly described as follows:

Forest Resource Inventory (FRI)

Several problems were identified with respect to the adequacy of the FRI. At the onset of the planning process the inventory was not in compliance with the Forest Information Manual (FIM) as a result of technical issues with the data (e.g. edge matching of mapped polygons). Based on direction from the Forest Information Manual (FIM) and the FRI Update Task Team required corrections were made. Other FRI related issues arose during the implementation of the forest management plan. These included;

- The misclassification of productive forest as unproductive (e.g. burns, rock).
- Problems with the age classification of mixedwood stands that had been partially harvested for their conifer component. These stands tend to be classified as older than the actual average stand age, and stand volumes were frequently lower than predicted.
- Some 40,000 ha classified as by-pass requires re-evaluation as a proportion of these sites likely contain productive forest.

Aboriginal Consultation

The Kenora Forest has twelve First Nations within or adjacent to its boundary. During the planning process, only four First Nations decided to participate on the FMP planning team. After a period of time, three of those stopped participating. The lack of Aboriginal participation in the planning process has both cultural and economic implications (See Section 3.2.5.) as they relate to the maintenance

and/or protection of Aboriginal values and the sharing of forest economic benefits.

Wood Supply and Harvest Access

There have been long-standing issues related to full access to all the Working Circles (WC) on the Forest. Working Circle 3 has historically accounted for the majority of the timber harvested. Limited harvesting is now occurring in WC # 2; however, a more equitable distribution of the cut is required across all the Working Circles.

The Aulneau peninsula and WC 4 has not contributed to the wood supply since 1986. Access options for the Aulneau are limited and costly. Land access requires construction through First Nation reserve land and a conservation reserve. An ice road has a limited time frame as does the option to barge the wood. Access and forest use consultations between the OMNR, Weyerhaeuser and First Nations with an interest in the peninsula were on-going during the audit term.

In addition to the challenges of access, the Aulneau peninsula is extensively used for recreation and tourism. In 1999 Ontario's Living Legacy (OLL) Land Use Strategy designated the area as an "Enhanced Management Area for Wildlife". As a result of the designation a wildlife plan (Aulneau Peninsula Enhanced Management Area Wildlife Plan) was developed to ensure that resource uses were appropriate for the maintenance or enhancement of wildlife habitats. The wildlife plan was not available for consideration in the preparation of the 2001 FMP; however it was prepared during that plan term.

Access to WC # 1, north of Umfreville Lake, is considered prohibitively expensive as it will require the construction of a major bridge. Additionally, access negotiations are required to obtain permission to use an existing road through a First Nation reserve.

WC # 2 is the Traditional Land Use Area (TLUA) of the Wabaseemoong Independent First Nations and is subject to the 1983 Ontario Islington Band Agreement. This agreement provides Wabaseemoong with an annual wood supply of 7,221 m^3 (with a provision to increase this allocation). The practice of OMNR and Weyerhaeuser has been to limit harvesting opportunities in this Working Circle to those operators that can come to a business arrangement with the First Nation.

Age Class Area Imbalance

A major age class area imbalance exists for most working groups as a result of major forest fires during the 1980's. The age class structure of white pine, red pine, fir, cedar and white birch working groups tends to be mature to overmature

(50 years or older), while jack pine, spruce and poplar working groups have relatively less area within maturing age classes. This situation poses challenges for the provision of a balanced wood supply over time. It is anticipated that adjacent Forests will be able to augment the drop in wood supply associated with the identified area gap.

Resource-based Tourism Values

Forest management planning is complicated by the significant presence of other users and values on the Forest. Area of Concern (AOC) prescriptions for specific values and modified allocation layouts were necessary to mitigate impacts or avoid the value. Other strategies included site inspections with concerned citizens and the timing of harvest.

3.0. SUMMARY OF AUDIT FINDINGS

3.1. Commitment

Commitment is reflected in an organizations adherence to legislation and the development of policies that capture its vision, mission, guiding principles, and management practice codes. These policies and directions must be reflected in the organizations day-to-day operations.

The auditor may utilize evidence from forest certification audits such as the Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI) and the Canadian Standards Association Sustainable Forest Management program (CSA-SFM) where it satisfies the requirements of the IFAPP.

Weyerhaeuser received CSA certification in 2005. Surveillance audits were conducted in 2006, 2007 and a re-registration audit was conducted 2008. Our assessment is that Weyerhaeuser adherence to all IFAPP Commitment requirements had been met. We note that in March, 2006 the Weyerhaeuser Kenora mill also achieved certification with Safe Workplace Ontario.

The OMNR has produced a number of strategic directions to deliver on its goals, strategies, and actions. The most recent document is Our Sustainable Future, produced in February, 2005. That document contains a long term corporate vision of a "*Healthy environment through sustainable development*" and a mission of "*ecological sustainability.*" It describes an operating philosophy and contains specific goals including a specific strategy for *"improved aboriginal relations through economic development opportunities and partnerships".*

The Kenora OMNR had utilized a full range of training methods and materials to ensure employees were aware of their responsibilities and capable of carrying

them out. Our discussions with staff indicated that they were aware of corporate policies and reflected them in their daily operations.

Both the OMNR and Weyerhaeuser had displayed an ongoing commitment to establishing positive working relationships with First Nations and had delivered on their respective corporate and legislated commitments. Section 3.2.3 provides additional information.

As discussed throughout this report the OMNR and Weyerhaeuser were in adherence with the applicable rules, regulations and statutes governing forestry in Ontario.

3.2. Public Consultation and Aboriginal Involvement

The process of sustainable forest management planning, implementation and monitoring must be conducted in an open consultative fashion, with the involvement of the Local Citizens Committee, Aboriginal communities, and other parties with an interest in the operations of the forest management unit.

3.2.1. Local Citizens' Committee

A Local Citizens Committee (LCC) must be established to help the planning team prepare the Forest Management Plan. Membership on the committee is to include local citizens representing a range and balance of community interests.

LCC responsibilities include ensuring the effectiveness of public consultation, assisting with the identification and analysis of management alternatives, participating in the development of values maps, monitoring the implementation of the plan, and providing advice to the District Manager (DM) on plan amendments and issue resolution. Each Forest Management Plan must contain an LCC general statement of agreement or disagreement with the plan.

There were 9 LCC members listed on the contributor page of the 2006 FMP. At the time of the field audit there were 10 members. Their affiliations included the forest industry, tourism, cottagers, municipal council, trappers, mining and independent citizens. Numerous efforts had been made to include formal First Nation membership on the LCC with little success. The current membership does include individuals of Aboriginal descent; however, their affiliation was as an independent citizen, not as an Aboriginal representative. Our investigations indicated that the leadership of FN communities in the Kenora Forest did not view the LCC as an appropriate forum to participate in as they do not accept the implied status of "stakeholder".

The Terms of Reference (TOR) was revised in April, 2007. With respect to LCC functions for the 2006 FMP, the TOR was generally adhered to. For example, the LCC received the list of required alterations from the draft Forest

Management Plan review. A LCC representative served on the planning team. The meeting minutes indicate that the Committee participated in the full range of activities listed in the TOR including the identification and analysis of management alternatives, review of values maps, and participation in the 2004 IFA.

The Committee was actively involved in implementation of the 2001 FMP through its review and input to Annual Reports (AR), Annual Work Schedules (AWS) and the monitoring of the implementation of the FMP. The District Manager did seek LCC advice in a formal issue resolution process.

A review of minutes and interviews with LCC, OMNR and SFL staff indicated that the Committee operated on a consensus basis. Individual LCC members indicated to us that Weyerhaeuser and OMNR staff were respectful and responsive to member's questions, concerns and requests for information. Training was available for members and funding levels were appropriate for the committee to carry out its duties.

Interviews with LCC members revealed a general consensus that their participation on the Committee was effective in bringing community and specific stakeholder interests to forest planning and forest operations decisions.

The LCC had a very experienced member on the Planning team and was routinely briefed on planning issues and progress. The contributor's page of the 2006 FMP contains the statement that "The *Local Citizens Committee (LCC) is in general agreement with this Kenora Forest management plan.*"

The 2006 FMP Supplementary documentation contained a section entitled LCC Statement of Agreement or Disagreement with the Kenora Forest FMP that had been *"...reviewed by the LCC members prior to inclusion in the Draft FMP".* The Statement accurately reflected the concerns that were brought to our attention during interviews with the individual members. These included concerns about;

- Unresolved First Nation issues that threaten future harvesting (and associated employment) in the Wabaseemoong First Nation Traditional Land Use Area, Working Circle Two, the Aulneau Peninsula and other areas of the Kenora Forest.
- Potential inaccuracies in the forest inventory with an associated impact on forest modeling assumptions and decisions based on those assumptions.
- The long term sustainability of the forest due to the unknown implications of climatic change on the forest resource.

- Future operational costs associated with accessing WC # 1 and a proposed winter ice road across Whitefish Bay which may make harvesting uneconomical.

OMNR and Weyerhaeuser, within their respective mandates, attempted to address these concerns. At the time of the field audit, negotiations were taking place at both the local and provincial level to address First Nation issues and concerns. Pending a successful outcome these negotiations should facilitate access to wood for the forest industry. Operational costs are a major industry concern and the forest inventory continues to be updated as funding allows. The long term affects of climate change is a national issue and as provincial policies and directions change they will be implemented locally.

It is our assessment that the Kenora LCC operates effectively, has adhered to its TOR and is an important asset to planning and management on the Kenora Forest.

3.2.2. FMP Standard Public Consultation Process

We conducted an overview of the public consultation process associated with the development of the 2006 FMP and found that it complied with FMPM requirements. Public notices were issued with sufficient lead time, their contents were complete and an appropriate mix of communications media was utilized. Material presented at the information centres met prescribed standards. A list of required alterations was available to the public during the public review of the Draft Plan and Environmental Registry notices were issued as required. Interviews with cottager and tourism representatives indicated that they were aware of the planning process and that they were given adequate opportunity to participate.

3.2.3. Issue Resolution

Opportunities for accessing the issue resolution process and for requesting the Minister of the Environment to designate that "*specific proposed forest management activities*" undergo an Individual Environmental Assessment (IEA) were clearly identified in public notices.

One issue resolution process was undertaken and all required procedures were followed. The Regional Director did provide a decision (February 2, 2006) that included a number of conditions. However, the issue was not resolved at that stage, and a subsequent request was made to the Minister of the Environment for an Individual Environmental Assessment.

3.2.4. Individual Environmental Assessments

One IEA request was submitted (March 10, 2006) to the Minister of the Environment by a proponent who had previously utilized the OMNR issue resolution process but was not satisfied with the results.

The proponent's concerns were related to:

- forest sustainability,
- visual and noise effects on resource-based tourism,
- the consideration of economic, social heritage and recreational values,
- consultation and resolution of seasonal residents' concerns,
- harvest effects on wildlife.

The Minister's decision (March 15, 2007) was that an individual environmental assessment was not required. However the decision did impose conditions including timing restrictions for an additional 3 forest blocks and visibility analyses for an additional 2 of the 23 forest blocks at issue. Any negative impacts on the viewscape were to be mitigated.

Based on our review, we determined that the conditions imposed by the Minister of the Environment and the OMNR Regional Director were met.

We met with a representative of the IEA proponent to discuss their concerns as related to the FMP process. In that discussion, a specific concern was raised that one forest block had been harvested before a viewscape analysis had been completed. We found that the analysis and the identification of mitigative measures had been completed for that block and shared with the proponent prior to harvest.

We found that all issue resolution and IEA procedural requirements were met, except that the rendering of the Minister of the Environment's decision took considerably longer than what is normally expected (approximately 11 months vs. 45 days). This delay resulted in deferral of some forest management activities in the area in question for approximately 1.5 years.

In 2006, the Minister of the Environment initiated changes to the environmental assessment (EA) program. One of the changes was to speed up the process by permitting the Director of the Environmental Assessment and Approvals Branch (EAAB) to make decisions on IEA requests. In addition, there were a number of administrative changes to provide clarity, remove redundancies, consolidate requirements and ensure consistency. However, costly delays still continue and

we encourage corporate OMNR to encourage the MOE to deliver more timely decisions on Individual Environmental Assessment requests.

3.2.5. Aboriginal Involvement in Forest Management Planning

With 12 First Nations within or adjacent to its boundary, the Kenora Forest has the highest concentration of First Nations located within a forest management unit in the Province of Ontario (see Section 2.2.2.). The Kenora Métis Council also has interests on the Kenora Forest. The offices of the Grand Council Treaty # 3, the Bimose Tribal Council and the Métis Council are situated in Kenora. The Anishinaabeg of Kabapikotawangag Resource Council Inc. (AKRC) office is located in Sioux Narrows.

The FMPM requires that native communities be provided with the option to choose an additional consultation and documentation opportunity with respect to forest management planning, referred to as the Forest Management Native Consultation Program (FMNCP). That requirement was met; however, although a few communities expressed some initial interest, no FN utilized the program.

A FMP information workshop was held in March, 2004, and subsequent invitations to join the 2006 Forest Management Planning Team were sent to all 12 First Nations and the Kenora Métis Council. The OMNR has a permanent Resource/Native Liaison position and Weyerhaeuser also had a liaison position in place during the development of the FMP. Throughout the development of the FMP the OMNR and Company made numerous representations (letters, telephone calls, personal contacts) to invite and encourage participation in the process. All FMPM requirements with respect to notifications and invitations were fully carried out.

Each FN community was provided the opportunity to participate in the planning process and have a seat on the Planning Team. The AKRC, representing six Lake of the Woods First Nation communities, informed the OMNR and the Company that all forest consultations/negotiations should be conducted with the council, rather than with the individual communities. The Bimose Tribal Council also took a leadership role in representing its communities. In addition to the two Tribal Councils, the Wabaseemoong Independent First Nations participated in planning team meetings. It is important to note that the Wabaseemoong Independent First Nation has a defined Traditional Land Use Area (TLUA) as a result of the 1983 Ontario Islington Band Agreement. That Agreement provides the Wabaseemoong FN with a guaranteed wood supply (i.e. 7,221 cubic metres per year) and includes a provision to increase this volume from time to time subject to the availability of timber within the vicinity or reasonable proximity to the FN community.

Notice of the First Information Centres for the 2006- 2026 FMP was sent to all the First Nations in October, 2004 with an invitation to review the draft Native

Background Information Report. We note the OMNR had minimal response from the FNs in the development of the reports despite repeated requests and the provision of funding (e.g. AKRC) to aid in the development. The reports were essentially prepared by OMNR based on existing information. The completed reports were sent to all the FNs with follow-up telephone calls and face-to-face meetings were scheduled. We note that the strategy to conduct community meetings met with limited success as meetings were often cancelled or were poorly attended.

In January 2005, a values collection survey was initiated by Wabaseemoong Independent First Nations with funding support from OMNR. The AKRC and the OMNR entered into a partnership to collect native values and to develop Geographic Information System (GIS) capacity within the communities to assist in future planning efforts.

Notice of the 2nd Information Centre was sent to all the First Nations and Kenora Métis Council in February, 2005. An opportunity was presented for each community and the Tribal Councils to review the "Preliminary Report on the Protection of Identified Native Values" and an offer was extended by the Planning Team to participate in community meetings. Big Grassy FN arranged for an information centre in the community; however, there was generally limited response from the FNs and Tribal Councils.

Meetings were held throughout 2004/2005 between AKRC, Bimose Tribal Council, OMNR, and Weyerhaeuser to discuss opportunities on the Aulneau Peninsula (as directed by the Aulneau Peninsula Enhanced Management Area Wildlife plan). These meetings did not result in any agreement to take action on the opportunities.

Because of the significant Aboriginal presence and history in the Kenora Forest, cultural protection was a major concern. Known cultural heritage values in the vicinity of proposed forest management activities were protected with Area of Concern (AOC) prescriptions. Where possible, cultural values were amalgamated into other values such as shoreline protection, moose aquatic feeding areas, etc. to provide a level of confidentiality to those sensitive sites.

Notice of Draft Plan Information Centres was sent to the First Nations in August, 2005 with an invitation to have the Draft Plan presented to their individual communities.

The final report on the Protection of Identified Aboriginal Values documents how values potentially affected by the proposed forestry operations would be protected. This report was provided to the First Nation in advance of the Draft Plan review stage. The Draft Plan review then provided an opportunity for FNs to review and comment on the proposed areas for harvest, renewal, tending, road locations and AOC prescriptions. There was generally little response; however,

an information session was held at the Big Grassy First Nation. Notices of Final Plan inspection was sent in February 2006.

It is our assessment that the OMNR and Company fully met, and exceeded their FMPM obligations to engage and provide opportunities for Aboriginal communities to participate in forest management planning. However, despite their efforts, and the significant number of Aboriginal communities, the response to the invitations was disappointing. While there was initial representation on the Planning team, the Aboriginal representatives generally withdrew later in the process. With a few exceptions the FN communities did not participate to any significant degree in the development of values information or the review of planning documents. Nevertheless, through actions and words the Kenora FNs continue to demonstrate concern about the potential negative effects of forestry operations, continue to request greater involvement in plan development, and continue to seek a greater share of forest benefits.

The OMNR, Company and First Nations have a shared objective of achieving increased Aboriginal involvement in all aspects of forestry. However, despite best efforts of OMNR and Weyerhaeuser, Aboriginal participation remains minimal. While there has been some progress over the past two planning terms (e.g. some increased Aboriginal participation in plan development, increased Aboriginal harvesting, etc.) the majority of FN communities continue to have only peripheral involvement.

We discussed the fundamental reasons for this lack of involvement with the OMNR, LCC members and Weyerhaeuser staff. We also discussed the reasons with First Nation individuals who have been involved with forestry issues for a number of years. Based on interviews, an examination of documents, and our own experiences we offer the following possible reasons for the very slow progress in obtaining Aboriginal involvement;

- Some FN leaders view the forest management planning process as "*fundamentally flawed*". We were informed that they believe their participation would legitimize a process that is incapable of fully addressing FN concerns. Those concerns were explained to us as a general *"lightening of the logging footprint"* with extended buffers, more protected areas, etc.
- The dynamics of FN community politics often results in new councilors taking on new roles every 2 years. When conducting audit inquiries we routinely discover that many community leaders have minimal forestry background and are reluctant to engage in a process they do not fully understand.
- Budget requests and government funding to support FN forestry staff is often an annual process that results in short term contracts, with associated staff turnovers and a loss of experience/continuity.

- FN leaders are "*bombarded*" with information and requests for involvement from numerous federal and provincial government departments. There is limited capacity within most communities to receive, assimilate, develop positions and respond to these requests. That becomes very evident when attempting to engage individuals/communities in the IFA process.
- Aboriginal people who do participate on LCCs or Planning teams are not generally formally empowered to commit their community to standard planning milestones such as Terms of References and plan objectives, or to "sign off" on documents. As a result, Aboriginal members are reluctant to indicate acceptance of milestone documents and become upset when the other members of the group proceed without their acceptance.
- The forest management planning process has, for some Aboriginal individuals and communities become a surrogate for larger grievances related to land ownership, access, competing non-Aboriginal interests, aspects of self government, etc. The forest management planning process was never intended to deal with those types of issues and as a result FNs are continually disappointed with the results of their participation.

The development of FMP's is critical to the continued viability of the forest industry and the communities that depend on it for employment. The stakes are high for both Aboriginal and non-Aboriginal communities. During the audit we were informed by all parties that there are preliminary negotiations underway in the Kenora area with the objective of developing a co-operative SFL with Aboriginal involvement and/or participation. Should those negotiations be successful the OMNR may face a number of serious future issues if;

- The current impasse with FN communities with respect to the scope and application of the CFSA, FMPM, etc continues.
- FN community capacity to deal effectively with a myriad of forestry planning and operational issues is not dramatically increased.
- FN communities do not reach a consensus on exactly what a "*lighter footprint*" is in terms of forestry operations, and the trade-offs vis-à-vis economic objectives.

We are aware of, and commend the OMNR for numerous initiatives that have been undertaken to explain the forest management process to Aboriginal communities and to invite their participation. However, progress has been slow and fundamental disagreements on the scope and eventual results of the planning process continue to create disagreements. We believe further efforts are required and they should extend beyond the responsibility of the local District Manager. We suggest a workshop format with senior OMNR and Aboriginal

leaders with an agenda that specifically addresses the scope of the forest planning process and Aboriginal participation.

Recommendation # 1:

Within the next 12 months, Corporate OMNR should formally meet with Aboriginal leaders in Northwestern Region to discuss;

- The scope of Ontario's forest management planning program and what it can and cannot be expected to accomplish.
- The scope of responsibilities of SFL holders and the local OMNR in the development of forest management plans.
- The reasons for the limited participation of Aboriginal communities in the formal forest management planning program.
- Potential opportunities to resolve some of the identified issues.

Forest EA Condition 34 requires OMNR District Managers to conduct negotiations with native communities to identify and implement ways to assist them in receiving more benefits from forest management. Those benefits can include providing employment, wood allocations, facilitating third-party licence negotiations and issuing licences where opportunities exist. Negotiations include the protection of other forest resources that may be affected by forest management.

The required reporting documents were completed. Reporting areas included efforts to explore potential harvesting opportunities, opportunities to assume direct management, education and training initiatives. For example some reported examples included:

- In 2003-2004 funding was provided to AKRC to assist in the development of GIS technical capacity for 6 First Nations.
- In 2005-2006 funding assistance was provided to the AKRC for 'Interest Based Negotiation Training' for community leaders to aid their participation in forestry negotiations.
- In 2006-2007 the Iskatewizaagegan (Shoal Lake # 39) First Nation harvested a total of 1,637 m^3 of conifer and 823 m^3 of hardwood.

There is evidence of an increase in participation by some First Nations in the forest-based economy. Wabaseemoong Independent Nation and Iskatewizaagegan FN are harvesting timber on their licences. There was initial participation in the 2006 planning process. Big Grassy FN did hold community

meetings. The Tribal Councils, the majority of the FNs, and the Métis Council now have staff positions and individuals assigned forestry duties.

The OMNR and Company meet on a regular basis with FN individuals and leaders. The Company had made serious and regular efforts to engage FNs in a range of forest related activities (e.g. surveys, mill work).

The FN individuals we spoke to generally expected more from the OMNR and Company in terms of support funding and responsiveness to their desires to exert more control over the decision making process.

Based on our review we judged that the OMNR and Company acted in good faith and employed their best efforts to meet Condition 34 objectives. The previous IFA recommended increased attention to Condition 34 reporting and we note annual training sessions have been provided by MNR Forest Management Branch since 2002.

The Kenora District met its Condition 34 reporting obligations. However, the information that is being reported cannot be readily compared with previous years and we believe it will have limited use for assessing future trends over time. We believe that reporting more factual details with respect to specific numbers of employed Aboriginals, FN business start-ups, etc. would provide baseline data that will allow a better assessment of trends.

3.2.6. Annual Operations Public Inspection and/or Consultation

The FMP Annual Work Schedule (AWS) is produced every year to guide the implementation of operations. It lists operations which are approved in the FMP and are scheduled for implementation for that year. The LCC and the public must be given an opportunity to review the AWS.

All AWS's were reviewed by OMNR district staff and by the LCC. All 1996 and 2004 FMPM content and timing requirements were met (e.g. inspection of the AWS). Mining Companies were notified of the planned AWS activities.

3.3. Forest Management Planning

3.3.1. Plan Author, Planning Team, Chair and Advisor Activities

The FMPM requires that the District Manager appoint the Chair of the planning team. The Plan Author must be a Registered Professional Forester (R.P.F.) and the planning team must represent a wide range of natural resource expertise. A Terms of Reference must be developed by the Plan Author and approved by the OMNR District Manager and the Regional Director (RD). It must identify the tasks required for the preparation of the plan and identify the responsibilities of

planning team members. A detailed timeline must be established. Planning team members must be available to answer questions from the public.

The planning team consisted of a Plan Author/Co-Chair who was an R.P.F., an area forester, area biologist, district planner (Co-Chair), area supervisor, planning analyst, an LCC representative and a consultant forester. Four First Nations/Groups were appointed to the Planning Team. These First Nations members stated their membership was contingent on "*the recognition that their membership did not necessarily mean that they represented all communities or members within their communities*".

Other areas of expertise required for planning (e.g. parks, lands administration, cultural heritage and compliance) were provided by a support team and an extensive list of plan advisors drawn from OMNR, Company staff and other Ontario Ministries. A Terms of Reference (TOR) which met FMPM requirements was approved by the District Manager and the Regional Director (April 6, 2004).

A Steering Committee was not formally established for the 2006 FMP; however the District Manager and the Weyerhaeuser Operations Manager did address the Planning Team early in the process about their desire for a co-operative based approach. In our discussions with planning team members and the District Manager and the Operations Manager themselves, it was evident that they were involved throughout the process and that the function of a Steering Committee was met. We found strong evidence of a good working relationship between Weyerhaeuser staff, OMNR and the LCC representative.

Interviews and a review of the planning team minutes indicated that the planning team operated effectively. Planning efficiency was enhanced with the creation of "task teams" which addressed specific issues and reported back to the main table. OMNR delivered the required background information and support to the planning team.

Efforts to engage First Nations on the planning team were largely ineffective. The poor uptake on the invitation to participate on the planning team is based on a fundamental premise by First Nations that Aboriginal communities are not another "stakeholder" in the forest management planning process and that "Aboriginal issues" in forest management planning need to be addressed at a government to government level. Additionally, many view the current planning system as inadequate to address FN issues and concerns. Section 3.2.5 provides information on the identified FN issues.

The Planning team met the planning schedule as identified in the TOR, and the Plan was approved by the Regional Director on Feb. 6, 2006.

A sample of the correspondence file (phone calls, letters, emails, Information Centre comment sheets) was reviewed to determine if inquiries were responded

to in a timely manner. The review indicated that correspondence was well documented and responses were generally consistent with the response target of 15 working days set by the Planning Team. We did determine that responses to some comments received at information centres took approximately 30 working days. We suggest that efforts be made to reduce this response time.

3.3.2. Introduction

The plan introduction contained a properly prepared and signed statement of how OMNR's Statement of Environmental Values (SEV) under the Environmental Bill of Rights was considered. As required, an index to the environmental assessment components of the plan was included.

3.3.3. Management Unit Description

The FMP management unit description provides information and context for the development of the plans strategic direction. The description of the Forest in the 2006 FMP met FMPM requirements and provided the necessary context for forest management planning and decision making. Information was provided on the administration, geology, current and historic forest condition, management unit history and other natural resources present on the Forest. Tables in the text adhered to FMPM formats.

The forest management implications of the unit's geology and soils were described and integrated in the Silvicultural Ground Rules. The ecosite classification system[8] developed for the OMNR Northwestern Region reflects the correlation between soil type and depth and vegetative cover. Those ecosite characteristics were used as the basis to predict harvest yields and forest unit composition following silvicultural treatment.

The description of the historic forest condition was based on the 1996 Forest Resource Inventory (FRI) and included a discussion of impacts of past natural disturbances (i.e. fire, wind, and insect infestations) on forest cover type distributions and the implication(s) of the historic forest condition on the development of the management plan.

The 1996 FRI was used to prepare the 2006 FMP. A number of problems were encountered during the update of the FRI. Several technical issues resulted in the inventory not being in compliance with the requirements of the Forest Information Manual (FIM). These issues were addressed with corrections made to the inventory as required. Considerable time was required to update

[8] The OMNR Northwestern Region uses vegetation and soil information to classify forest communities into Ecosite Types that identify groupings of vegetation on specific ranges of soil conditions. This information is used in forest management planning to develop management prescriptions for timber harvest and renewal; it is also used in the determination of preferred habitat for wildlife.

inventory information for past depletions, renewal, by-pass and verifying the status of areas classified as barren and scattered to provide a more reliable base for planning. Weyerhaeuser identified on-going issues related to the inventory in that it misclassified some areas as unproductive that actually contain productive forest. Additionally some 40,000 ha classified as by-pass in the 2001 FRI requires re-evaluation as a proportion of those sites may produce merchantable stands over time. Work continues to address the problems associated with the inventory. Our interviews with SFL holder and OMNR staff indicated that they were satisfied that the FRI was adequate for the SFMM analysis.

The FMP addresses a full range of non-timber values, including wildlife, wildlife habitats, and fisheries resources and describes the appropriate guidelines that provided direction for the protection or mitigation of impacts on these values. It contains a full description of locally featured species, as well as those that are rare, vulnerable, threatened or endangered.

There was a thorough description of the social and economic profile of the Kenora Forest. Baseline socio-economic profiles were produced using 2001 Canada Census data. These profiles included a description of demographics and migration, the economic environment, industrial/commercial and non-industrial uses of the forest, and investment intention for the major towns affected by the Kenora Forest. This information was used as the basis for the socio-economic analysis of management alternatives. Adequate demographic and socioeconomic profiles were available for principal municipalities, but were not available to the planning team for approximately one third of the First Nation communities. Notwithstanding this limitation, we feel that the information requirements of the 1996 FMPM were met and the socio-economic analysis was sufficient to provide an appropriate context for forest management planning decisions.

3.3.4. Strategic Direction

An FMP must include the identification of a strategic direction and define related activities that ensure forest sustainability. Objectives, targets, and strategies must be developed which address the benefits or outcomes of managing the forest cover.

An appropriate range of management alternatives must then be developed by the planning team with the assistance of the LCC, and these alternatives must be analyzed against measurable criteria to determine whether or not a management alternative is sustainable.

The CFSA requires that objectives in every forest management plan must address four specific categories:

a. Forest diversity.
b. Social and economic matters, including timber harvest levels.
c. The provision of forest cover for those values which are dependent on forest cover.
d. Silviculture.

Eight plan objectives were developed and their associated targets and strategies were cross-referenced to the CFSA categories. The objectives were appropriate for progressing towards the FMP goal. Plan targets were reasonable and quantified, and will allow for the future assessment of progress towards target achievement.

We note that a significant issue evolved during the planning process related to wording for incorporating First Nation interests into FMP objectives, targets, and strategies. The basis of the impasse has its roots in the fundamental and long standing issues/grievances between First Nations and the Ontario Government with respect to Aboriginal and treaty rights as they relate to land and resource ownership and use. In the opinion of a least one FN representative on the planning team, the wording of the objectives failed to adequately reflect the First Nations perspective. As a result, FN participation on the planning team discontinued.

Four management alternatives and one natural benchmark scenario (without fire suppression) were developed. These alternatives included the 3 mandatory alternatives dictated by the FMPM (1996) and an additional alternative developed with input from the planning team and LCC as follows:

a. Timber Production Potential with Infinite Silvicultural Funding.
b. Timber Production Potential with Balanced Silvicultural Funding.
c. Meet Anticipated Industrial Demand.
d. Best Balance of Forest Sustainability and Objective Achievements.

All alternatives equally incorporated caribou mosaic considerations, harvest timing restrictions and deferred harvest in marten core areas. They differed in terms of harvest volume targets (e.g., current mill demand vs. realistic and deliverable short, mid and long-term targets) and the availability of funding for silviculture (e.g. maximum funding vs. funding limited to Forest Renewal Trust revenues). Additionally, Alternative # 4 included objectives for the maintenance of old-growth areas, minimum wildlife habitat target achievement for featured and selected species, and limited allowable fluctuation of total area and available harvest area (AHA) between 10-year terms.

It is our assessment that the planning team met FMPM requirements for the development of management alternatives.

Evaluation of the Selected Management Alternative

Each management alternative was assessed by examining how the indicators of sustainability[9] were predicted to change through time and by judging whether or not the outcome was sustainable. A simple ranking system, based on plan objectives was used to assign a ranking for each alternative. Alternative # 4 was considered to be the most sustainable and became the selected management alternative (SMA) as it:

- Performed better than the other alternatives in relation to some indicators (i.e. the managed Crown forest available for timber production and provision of preferred habitat for selected wildlife species).
- Provided the most habitat area for featured species (i.e. caribou, marten, moose & deer).
- Was superior in achieving desired old growth proportions and provided the most even and predictable wood supply.
- Met all indicators of long-term forest sustainability.
- Provided for the achievement of all plan objectives with a set of realistic targets.
- Ranked first for overall objective achievement.

The planning team employed the Socio-Economic Impact Model (SEIM) to conduct the required analysis of the four management alternatives. The SEIM analysis was thorough and presented good insight about how the Sustainable Forest Management Model (SFMM) and SEIM models operate in different time scales and use different measures to determine sustainability. It is noteworthy that the SMA ranked fourth for short-term socio-economic achievement.

It is our opinion that the SFMM modeling, SEIM modeling and the analysis of management alternatives was well done and well documented in the FMP.

3.3.5. Operational Planning

Operational planning selects areas for harvest, tending, and renewal operations for the five-year term of the forest management plan. Preferred silvicultural treatment packages and the silvicultural ground rules are identified and prescriptions to protect specific values are developed through Area of Concern

[9] The six measurable indicators of sustainability were used in the analysis included: Forest Diversity Indices, Managed Crown Forest Available for Timber Production, Preferred Habitat for Selected Wildlife Species, Frequency Distribution of Clearcut & Wildfire Sizes, Percentage of Available Harvest Area which Is Actually Utilized and Landscape Pattern.

(AOC) planning. Locations of new primary and secondary road corridors are determined.

The forecasted levels of harvest (both area and volume) and renewal were sufficient to provide for the achievement of the plan objectives. The FMPM requirement to provide a contingency harvest area was met. The contingency area of 2,750 ha represents approximately 10 months of harvest area.

For most of the areas selected for harvest operations, the preferred silvicultural treatment packages in the silvicultural ground rules serve as the preliminary prescriptions for harvest, renewal and tending operations. The Silvicultural Ground Rules (SGRs) were developed according to appropriate guidelines. Exceptions to the *Silvicultural Guide to Managing for Black Spruce, Jack Pine and Aspen on Boreal Ecosites in Ontario (*1997 were duly noted in the FMP. These exceptions included:

- Full tree logging on Ecosites (ES) 11 and 12 where the total soil depth is less than 20 cm.
- Aerial seeding of jack pine on ES 17, 19, 23, 21, 24, 27, 29, 30 and 32.
- Scarification for jack pine regeneration on ES 11, 21, and 22.

The Silvicultural Treatment Packages (STPs)[10] were appropriate for forest types and included the silvicultural system, the harvest method, renewal, tending treatment and regeneration standards and targets.

The calculated available harvest area (AHA) exceeded the forecasted harvest area by 65 ha. This small differential does not negatively impact on long term forest sustainability.

Forecasted renewal activities were slightly higher than those projected in SFMM but are proportionate to the planned allocation. The level of planned activity supported the achievement of FMP objectives and forest productivity is projected to be maintained or enhanced.

Plan forecasts of revenues and expenditures reflect proposed field operations for the plan term and in our opinion are supportive of the selected management alternative.

[10] Silvicultural Ground Rules (SGRs) specify the silvicultural systems and types of harvest, renewal and tending treatments that are available to manage forest cover and the type of forest that is expected to develop over time. A silvicultural treatment package (STP) is the path of silviculture treatments from the current forest condition to the future forest condition; STPs include the silvicultural system, harvest and logging method(s), renewal treatments, tending treatments, and regeneration standards.

Areas selected for forest management activities were consistent with the selection criteria described in the FMP, and in the case of harvest activities were consistent with the level of available harvest area. Operational planning for renewal activities was in accordance with FMP requirements and was properly forecasted in SFMM. A total of 16,855 ha were planned for renewal during the plan term. This allocation was higher than the planned depletion area (15,861 ha) and is attributed mainly to the inclusion of some areas from the 2001 plan that require infill planting, seeding, etc. Planned renewal support activities appear to be sufficient to support the renewal program.

Access planning was consistent with FMP objectives and met FMPM requirements. As required, access controls were planned to protect tourism and other non- timber values. The public was provided with opportunities to review road plan(s) and provide comment.

No salvage operations were planned for during the 2006 FMP planning process.[11]

Management prescriptions for all AOCs within areas of operations for the plan term were presented in the FMP, and AOCs were identified on operations maps. The FMP must also document any AOC prescriptions that differ from directions contained in the applicable implementation manual as "exceptions" and there must be an appropriate monitoring program to assess results. AOC exceptions listed in the 2006 FMP were related to harvest, renewal and tending in the vicinity of Osprey nests. Road construction activities near sensitive wildlife and fisheries habitats, where not permitted by implementation manuals, were listed as "deviations". Full explanations and rationale for the exceptions and deviations were included in the FMP Supplementary Documentation.

Due to the number of FN communities in the Kenora Forest there are a large number of cultural heritage prescriptions. The majority of the high potential cultural heritage sites are adjacent to existing watercourses, streams and lake shores. These areas are given a separate AOC identifier and prescription starting at the water's edge and extending inland for up to 150 metres. Some specific forest management activities with minimal ground disturbance were permitted within these AOCs; however, any activities which would result in significant ground disturbance required an assessment by a licensed archaeologist. The Cultural Heritage Predictive Model (CHPM) was used by the OMNR to provide data to the Company for the spatial identification of areas with high potential to have cultural heritage sites. Where cultural AOCs overlap with other AOCs the most restrictive prescription was adopted for use.

Tourism AOC's were based on requests from individuals and organized groups for visual barriers, specific road use strategies or timing restrictions on forest

[11] Salvage harvesting was conducted during 2008 to recover timber from a blow down event.

operations. Buffer widths and timing restrictions related to harvesting and hauling were negotiated and/or customized to resolve land use issues and concerns. In our opinion Weyerhaeuser and the OMNR did an excellent job of communicating with the concerned parties and finding practical solutions.

Every FMP must include a statement confirming a commitment to maintain the viability of the tourism industry and to establish a level of remoteness as recognized in the Tourism and Forestry Industry Memorandum of Understanding (MOU). Every reasonable effort must be made to pursue the development of Resource Stewardship Agreements (RSA). RSA provisions that directly affect the FMP must be incorporated into it. During the 2006 FMP planning process, 116 licenced establishments were approached to ascertain their interest in developing RSAs. Although 28 initially indicated an interest only one was signed at the time of FMP submission. At the time of this audit (September 2008), eight RSAs had been signed.

From our review of documents, discussions with Weyerhaeuser and OMNR staff, and interviews with tourism operators, we offer the following observations on the RSA process and results:

- The FMP objectives and related strategies confirm a commitment to maintain the viability of the tourism industry and OMNR provided updated tourism values mapping.
- Tourism operators were well informed by the OMNR and Weyerhaeuser about the opportunity to access the RSA Process; they were happy with initial contacts and follow-up, and felt that their values had been protected.

The principal reasons given for not entering into a formal RSA were:

- Most operators were not directly affected by the proposed operations in the 2006 plan.
- Potentially affected operators were often satisfied that their concerns were dealt with in the AOC planning process.
- They were hesitant to become involved in a quasi-legal, formal process with either the government or the forest industry.

We conclude that resource-based tourism values have been addressed through the FMP process.

Recommendations related to operational planning from the previous IFA were fully considered during plan development.

We conclude that FMPM requirements for operational planning were met.

3.3.6. FMP Submission, OMNR Plan Review and Approval

The FMPM requires that the draft FMP be submitted for OMNR and public review, and a preliminary list of alterations required by the OMNR must also be made available to the public. Subsequently, a final list of alterations incorporating public review must be addressed before the plan is approved by OMNR. The draft and final plan must be certified by the Plan Author, and the final plan must be certified by the OMNR District Manager and approved by the OMNR Regional Director.

The planning process met all milestone dates identified in its Terms of Reference and met all certification requirements.

Prior to public review of the draft Plan, an OMNR review identified 570 required alternations to the draft FMP. This number falls within the lower range that we normally encounter in our Forest audits. We undertook a general overview of all the required alterations and a more detailed review of 5% (30) of them. Fifty eight percent (58%) of the alterations required changes to text, tables or maps; 24% of the changes were editorial and 18% were either suggestions or comments. This is a reasonable distribution of comment types, and reflects that reviewers were concentrating on substantive issues.

Our more detailed review of specific comments found that the required alterations were well thought out and relevant, and were addressed in the final plan. Four of the fifteen reviewers were the OMNR members of the planning team; this probably contributed to the modest number and the good quality of the comments. In our interviews with the planning team members they indicated that the identification of, and responding to the required alterations was an efficient and reasonable process.

3.3.7. Contingency Plans

There were no contingency plans during the audit term.

3.3.8. FMP or Contingency Plan Amendments

For the audit period there were 32 amendments to the 2001 FMP (30 administrative, two minor) and 17 amendments (all administrative) to the 2006 FMP.

Most amendments were related to AOCs (52%), roads and crossings (24%) and harvest block changes (5%). The number of AOC related amendments declined from 2003/04 (8) to 2007/08 (3), probably as a result of a new 2006 FMP and different amendment requirements of the new 2004 FMPM for AOCs. The

amendments were reasonable and in keeping with the expectation of finding new values and making adjustments to accommodate them during plan implementation. Documentation was complete and 1996 and 2004 FMPM procedural requirements were met. Both minor amendments were made under the 1996 FMPM and its consultation requirements were met.

3.3.9. Annual Work Schedules

Forest management activities planned in each Annual Work Schedule were consistent with those outlined in the relevant forest management plans. All AWSs reviewed conformed with the required format and specifications of the FMPM or phase-in requirements in effect at the time of AWS preparation.

Forest Operation Prescriptions were prepared for all harvest, renewal, tending, and protection activities as required. Prescriptions were consistent with the relevant FMP Silvicultural Ground Rules (SGRs).

In the audit period there were 47 revisions to AWSs prepared under the 2001FMP and 31 revisions to AWSs prepared under the 2006 FMP. Most revisions were related to the addition or removal of AOCs (25%), roads and crossings (33%) and harvest block changes (26%). We conducted a detailed review of contents and approvals for 43 of the revisions. Revisions were reasonable, documentation was complete and FMPM procedural requirements, including consultation were met.

3.4. Plan Assessment and Implementation

3.4.1. Plan Assessment

In our opinion, the 2006 FMP was well-written and met FMPM requirements. Information used in its development accurately reflected "on-the-ground" conditions encountered in the forest.

The management unit description was thorough and the management implications of the resource characteristics were described and integrated with the SGRs. The areas selected for operations were consistent with the eligibility requirements and the level of available harvest area.

The ecosite classification system developed for the OMNR Northwestern Region accurately reflects the correlation between soil type and site conditions observed in the field. Those ecosite characteristics were used as the basis for predicted harvest yields and forest unit composition following silvicultural treatment.

Our field sample indicated that AOC values mapping was accurate and the prescriptions implemented were in accordance with the FMP.

The FMP contains a thorough description of the land base inputs and assumptions used to develop SFMM inputs for forest dynamics and silvicultural options. Based on conditions observed in the field we found all inputs to be reasonable.

As indicated in section 2.2.3., a major planning challenge is the accuracy of the forest resource inventory. These issues/problems include:

- The misclassification of productive forest as unproductive (e.g. burns, rock).
- Problems with the age classification of mixedwood stands that had been partially harvested for their conifer component. These stands tend to be classified as older than the actual average stand age, and stand volumes were frequently lower than predicted.
- Some 40,000 ha classified as by-pass requires re-evaluation as a proportion of those sites are believed to contain productive forest.

A new FRI is not scheduled for delivery until 2016. In an effort to address the shortcomings of the inventory Weyerhaeuser:

- Conducted aerial and ground surveys and photo scans to update forest stand characteristics.
- Undertook technical work to make the inventory data file compliant with FIM requirements.
- Corrected errors in data layers.
- Updated the inventory for depletions, land classifications, ownerships, etc.

We note that at the time of the audit not all of the work to address the identified shortcomings of the inventory had been completed. The OMNR has recently re-assumed responsibility for the forest resource inventory. We recognize that the provincial inventory program is conducted according to a schedule based on the forest management planning cycle, provincial initiatives, unit amalgamations, etc. In our opinion there is a need to expedite the FRI inventory process on the Kenora Forest in order to support operations in the current plan and the development of the next FMP. However, a recommendation to that effect, would simply be impractical to implement. Rather, we encourage the District OMNR to assist Weyerhaeuser in addressing the identified shortcomings of the inventory as they relate to its operations, until the new inventory is received. This support could be financial or technical (i.e. establishment of temporary or permanent sample plots, updates, etc.) dependent upon identified needs.

3.4.2. Areas of Concern

An Area of Concern (AOC) is a defined geographic area, within an area selected for forest management activity which is adjacent to an identified value on the values map. It represents an area where forest operations will be reviewed, controlled, modified, or excluded, as required to protect the value associated with the area.

The Kenora Forest contains a significant number of other forest users and values including 12 First Nations, 136+ tourist establishments, 535+ bald eagle nests, over 8000 private properties (outside municipal boundaries); over 40% of the area is water. The 2006 FMP grouped these values into several broad categories (e.g. water, wildlife, cultural heritage, etc) and provided management prescriptions for the AOCs based on existing provincial guidelines.

Our field inspections included sites contained in both the 2001 and 2006 FMPs. The AOC prescriptions observed during the field audit adhered to provincially approved management guidelines (with the exceptions discussed below) and were contained in the supplementary documentation binders of the FMPs.

The previous IFA provided a Recommendation directed at the development of monitoring programs for exception prescriptions. Monitoring for nest exceptions (osprey) in the 2001 FMP was initiated in 2004 and reported in the 2004-2005 Annual Report. Weyerhaeuser also conducted osprey occupancy and productivity surveys in 2005-2006 and bald eagle surveys in 2006-2007. The results of the surveys were provided to the OMNR and were reported in the Annual Reports.

There were a total of 4 NIC's related to access for the 5 year audit period. These were relatively minor trespass issues and corrective actions were taken. A Weyerhaeuser training program on AOC management and the effective use of global positioning systems technology (GPS) by operators has addressed the issue of cut trespass.

Based on our document review and field inspections we believe AOC management program on the Forest is effective and FMPM requirements were met during the audit period.

3.4.3. Harvest

Harvesting on the Forest consisted primarily of clearcuts using full-tree logging methods.[12] Harvesting operations are conducted by 16 Overlapping Licencees. Currently only one licensee regularly conducts logging operations in WC # 2

[12] The full tree logging is the removal of the whole tree to roadside where limbing and topping occurs.

(Traditional Land Use Area (TLUA) of the Wabaseemoong Independent First Nations) as the practice of OMNR and Weyerhaeuser has been to limit harvesting opportunities in this Working Circle to those operators that can come to a business arrangement with the First Nation.

We inspected 14% of the area harvested during the audit period. On the basis of our site inspections we concluded that harvest operations were properly implemented and reflected operator care with regard to site damage and wood utilization. This observation is supported by the low number of Not-in-Compliance (NIC) reports for harvest during the audit relative to the total number of inspections (363 harvest inspections vs. 21 incidences reported as Not-in-Compliance, Tables 3 and 4).

All sites inspected during the audit were approved for operations in the AWS and harvest prescriptions were implemented in accordance with the Silvicultural Ground Rules (SGRs). Best management practices for logging on shallow sites[8] were utilized, and we did not observe any detrimental site impacts resulting from harvest operations.

A significant trend on the Forest is the continuing underachievement of planned harvest levels (59.5%). This underachievement is attributed to:

- A lack of markets for some hardwood species and conifer during the audit period.
- The inability to access all working circles due to access challenges or difficulties (e.g. cost, access rights and land use designations).
- Mill reductions and closures as well as labour disputes that resulted in a reduced demand for conifer (i.e. Abitibi Pulp Mill in Kenora and Devlin Timber Sawmill closed permanently in 2005, the Kenora Forest Products Sawmill closed in 2008).
- Slow progress with respect to on-going negotiations with First Nations related to harvesting in WC 2 and access to WC 1 and WC 4.

The continued inability to achieve planned harvest levels is the single largest contributing factor to the non-achievement of the long term management direction on the Forest. The under-harvest is significant in that it represents a lost economic opportunity and will affect the long term productivity and structure of the Forest over time. The lack of renewal to younger age classes (attributed to harvest) will also exacerbate the predicted age class imbalance.

Harvesting mainly occurred in WC 3[13] during the audit term with a smaller percentage of the cut originating from WC 2. No harvesting occurred in WC 4 (Aulneau Peninsula) or in WC 1(North of the English River System). This situation prompted our concern that WC 3 may have been subject to overharvest as a result of the inability to access wood from the other Working Circles. Upon review of the available harvest area (AHA) calculated for each working circle, we determined that this was not the case. The actual harvest area only represented 58% of the planned area within WC 3 during the 2001 plan term.

We believe a decision needs to be made with respect to the on-going inclusion of the Aulneau Peninsula in wood supply calculations. No wood has been harvested on the Aulneau peninsula (and the remainder of WC 4) since 1986 and yet the Aulneau has been included in successive plans as a potential area for operations. Access options for the Aulneau are limited and costly requiring land access through a First Nation reserve and a conservation reserve. The option of an ice road or barging of wood presents challenges with respect to weather, hauling time frames and safety. In addition to the challenges related to access, the Aulneau peninsula also poses challenges for forest management with respect to its extensive use for recreation and tourism and its significance to local First Nations. Given the historical lack of harvesting, difficult access and the prevailing forest management uncertainty we question its continued inclusion in Kenora Forest FMP wood supply calculations.

Recommendation # 2:

In the development of the next Forest Management Plan, Weyerhaeuser and the Kenora OMNR need to make a decision with respect to the suitability of the on-going inclusion of the Aulneau Peninsula and WC 4 in wood supply calculations.

Harvest related guidelines (e.g. Natural Disturbance Pattern Emulation Guideline (NDPEG)) were appropriately implemented on the inspected sites. We noted that tree retention requirements were exceeded on areas harvested in WC 2 (36 trees per hectare vs. 25 trees per hectare in the NDPEG). These retention levels were requested by the Wabaseemoong First Nation for harvesting activities within their traditional land use area.

During the field audit we visited a site where a salvage operation was being undertaken to recover wood damaged in a blow down event in 2007. An amendment to facilitate the operation was prepared in 2008.

Fuelwood permits are issued by the OMNR office as per the Procedure for the Administration of Personal Use and Commercial Fuelwood. Specific fuelwood

[13] For the 2001-2006 FMP Term WC 3 accounted for 83% of the total harvest area. In 2006-2007, WC 3 accounted for 78.6% of the harvest area.

areas were selected on the basis of availability and proximity to towns/developments.

3.4.4. Renewal

The audit sampled 11% of the renewal activities (artificial and natural) undertaken during the audit period. All activities observed in the field were approved in the FMPs and complied with the applicable silvicultural ground rules. Renewal activities were appropriate for the specific site conditions.

There was an underachievement of planned renewal activities, as a result of the underachievement of the planned harvest. When examined in the context of the annualized actual area harvested and the annualized actual area treated for renewal is at an acceptable level relative to the annualized actual harvest area (1,315 ha harvested vs. 1,017 ha treated for renewal). It is noteworthy, that although planned renewal target levels were not achieved, the mix of treatments delivered (e.g. planting vs. seeding in the artificial renewal program) was proportionally similar to the planned mix of renewal activities for both the artificial and natural renewal programs.[14]

The 2006 FMP included exceptions to the Silvicultural Guide to Managing for Black Spruce, Jack Pine and Aspen on Boreal Forest Ecosites in Ontario (1997) related to renewal; these included:

- Aerial seeding of jack pine on nine Ecosites.[15]
- Scarification for jack pine regeneration on a number (3) of Ecosites.

Monitoring of these exceptions is to occur during routine silvicultural assessments. During the audit term no seeding or scarification occurred on these ecosites.

Renewal on harvested areas is formally sampled 4-5 years following the harvest, with an inspection of sites occurring after two years. Records of the year two assessment are not entered into corporate database, but rather are retained in field notes and/or log books. We believe that improvements to the field monitoring program, including a more formalized tracking system, will assist the SFL holder to ensure that adequate stocking levels are maintained and sites requiring competition control (particularly mixedwood sites) are assessed and treated in an appropriate timeframe (Section 3.4.5.).

[14] For example, the 2001 FMP term planting was planned to comprise 82% of the artificial renewal program, in actuality 79% of the area treated by artificial renewal was planted.
[15] An Ecosite is an ecological landscape unit comprised of relatively uniform geology, soils, topography and hydrology and provides conditions for similar vegetation.

Natural Regeneration.

During the 2001-2006 FMP term 22% of the planned levels (12,085 ha) of natural regeneration under the clearcut silvicultural system were achieved. It is too soon to assess levels of natural regeneration for 2006-2007. The low level of natural renewal is attributed to the lower than planned levels of harvest. Additionally, a typographical error in the 2001 FMP resulted in an overestimation of the area available for natural renewal under the selection harvest system (1100 ha vs. 130 ha) for the other hardwood working group. Only 10 hectares of this allocation was cut during the audit term. No natural regeneration was reported for the first year of the 2006 FMP as the Company decided to wait until adjacent renewal treatments were completed before mapping and reporting results. The FMPM requires that natural regeneration normally be reported in the year in which harvesting occurred.[16] A recommendation to address this concern is provided in Section 3.6.5.

Hardwood forest units inspected for natural regeneration were all well stocked and vigorously growing. Renewal success within conifer forest units on some sites was more variable due to vegetative competition. This issue is discussed in section 3.4.5.

Artificial Renewal

The area treated by artificial renewal fell short of planned targets as a result of the lower than planned harvest levels. For the 2001-2006 FMP term artificial renewal activities achieved 34.4% of the planned targets. They achieved 75.3% of the planned level for 2006-2007.

Between 1996 and 2004 no seeding treatments were undertaken as it was assumed that natural regeneration would be sufficient to regenerate the Forest. In 2004, a direct seeding strategy was adopted to augment stocking levels and lower regeneration lag periods on shallow sites. Site inspections during the audit indicated that aerial seeding treatments have been effective.

During the field audit we observed some sites where artificial renewal had occurred prior to slash pile burning as a result of delays in the pile burning program (i.e. poor weather conditions). This timing did not allow the burned sites to be replanted. While not a widespread problem, it is not a good investment to reclaim productive forest land but then not follow-up with the required renewal. Since this problem was not widespread, we do not provide a recommendation. However, we encourage Weyerhaeuser to fill plant these areas in conjunction

[16] Where forest management activities (e.g. salvage harvest and/or renewal) are being considered for natural disturbances, reporting of natural regeneration may be delayed for one or two years.

with other renewal activities whenever possible (i.e. when artificial renewal activities are occurring in adjacent areas).

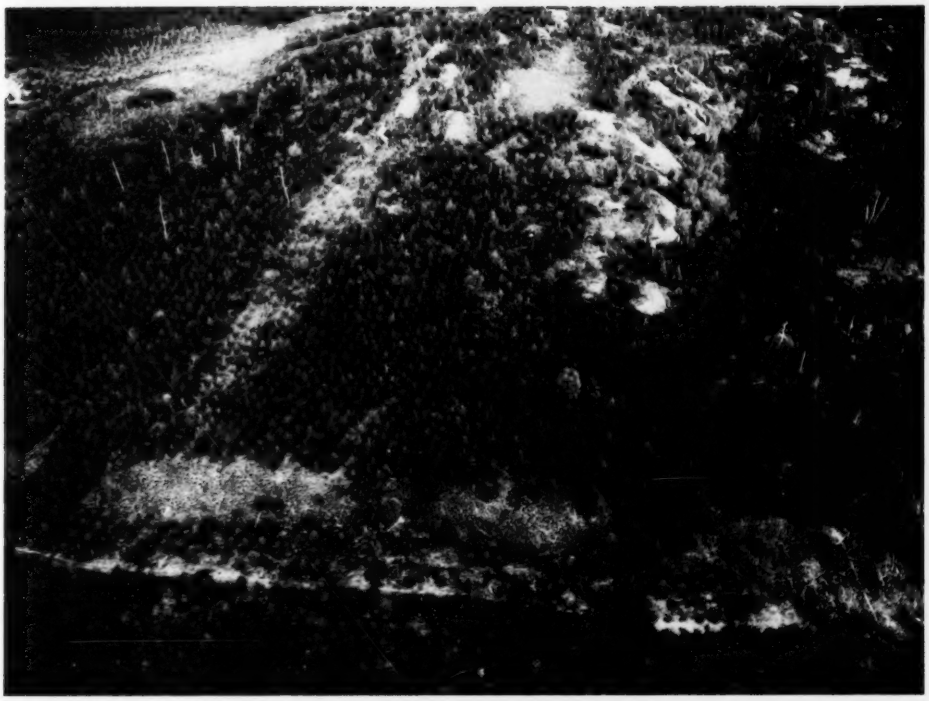
We observed mixed results for the artificial renewal program. The Kenora Forest 2007 Silviculture Effectiveness Monitoring Program report indicated that the amount of non-productive land and the average 2.5 m average spacing utilized in planting were the major factors limiting the amount of area available for planting or seeding. The wider spacing has been adopted by the company to manage stand densities in anticipation of increased stocking levels through natural ingress. Some sites inspected during our field audit were well stocked with high survival rates. Other sites, particularly mixedwood sites on shallower soils, had much poorer stocking levels and survival rates as a result of competition from grasses, raspberries and hardwoods (Photographs 2 & 3). We concluded that the investment in conifer renewal is being jeopardized by a lack of adequate monitoring and tending on these ecosites. While the sites will eventually become mixedwood forest units (with a component of conifer), the objective of maintaining higher conifer stocking levels within these stands will not likely be achieved without further silvicultural interventions (i.e. infill planting, seeding, tending, etc.). This issue is discussed more fully in Section 3.4.5.

For the audit term there were 68 compliance inspections related to renewal activities[17] with no documented incidences of non-compliance (Tables 3 and 4).

Results of Free to Grow Surveys

Free-to-grow (FTG) survey results for areas harvested between 1993 and 1998 indicate a 97% renewal success rate (5,157 ha of 5,317 ha). During the field audit we surveyed 11% of the area declared free-to-grow in the audit period. All inspected sites were successfully regenerated and had attained FTG status (Photograph 1).

[17] Compliance inspections related to renewal do not assess the quality of the renewal effort but rather whether or not planning requirement for renewal were met.



Photograph 1: Free to Grow jack pine plantation.

The area classified as barren and scattered[18] has declined significantly from 105,478 ha in the 1991-1996 term to 8,807 ha in the 2006-2011 term. This decline is attributed to a reclassification within the forest resource inventory that more accurately classifies unproductive areas. Additionally, a significant area within the barren and scattered area attained free-to-grow status and was reclassified as productive forest land.

OMNR conducted Silvicultural Effectiveness Monitoring (SEM) on FTG surveys completed by the SFL holder in 2007 and 2008.

Site Preparation

We inspected 10% percent of the area that had been site prepared during the audit term. Areas designated for site preparation (SIP) were treated using a hydraulic disk trencher. Treatments appeared to be effective in exposing mineral soil for seeding or suitable micro sites for planting. As discussed in section 3.6., OMNR monitoring of the silvicultural effectiveness of site preparation indicated that the program was effective in terms of treatment coverage and created

[18] Barren and Scattered is a term that refers to productive forest land which because of natural or artificial disturbance contains only scattered trees or no trees at all and has no significant amount of regeneration.

sufficient plantable spots to enable satisfactory stocking levels. We did not observe any evidence of environmental damage associated with site preparation activities.

The area treated by mechanical site preparation was lower than planned. For the audit term the area treated was approximately 48% of the planned targets. This underachievement reflects the lower level of harvesting. Chemical site preparation also fell below planned targets during the 2001 FMP term and no areas were treated in 2006-2007.

3.4.5. Tending and Protection

Tending treatments may be required to ensure the survival and optimal growth of desired crop species. Tending may involve cleaning (i.e. the removal of undesirable and competing vegetation) and/or pre-commercial thinning. Cleaning is accomplished by manual, mechanical and/or chemical means. Pre-commercial thinning is prescribed in overstocked stands (typically jack pine) to reduce stand density and accelerate diameter growth.

The audit sampled 11% of the tending and protection undertaken during the audit period. Chemical ground tending achieved 23% of the planned target in the 2001 FMP (645 ha of a planned 2761 ha). Manual tending during the same period achieved approximately 2% of the planned target. No tending activities occurred in the 2006-2008 period.

The underachievement of tending targets is attributed to:

- Lower than expected area for treatment due to the reduced harvest level.
- A management decision to delay treatments until crop trees were older and positioned to remain above competition after tending.
- Problems in securing contractors to do the work.
- Public opposition to the use of chemical treatments.

A strategy to by-pass areas of dense poplar regeneration during mechanical site preparation, rather than site prepare and plant these areas has also reduced tending requirements on individual sites.

Our site inspections lead us to conclude that the investment in conifer renewal within treated mixedwood forest units is being jeopardized by a lack of effective tending. Intensive site competition can result in reductions in growth, yield, stand densities and increase the time required for stands to reach free-to-grow status. These circumstances all could have significant impacts on the long term industrial wood supply. The Kenora Forest contains many areas with loamy soils

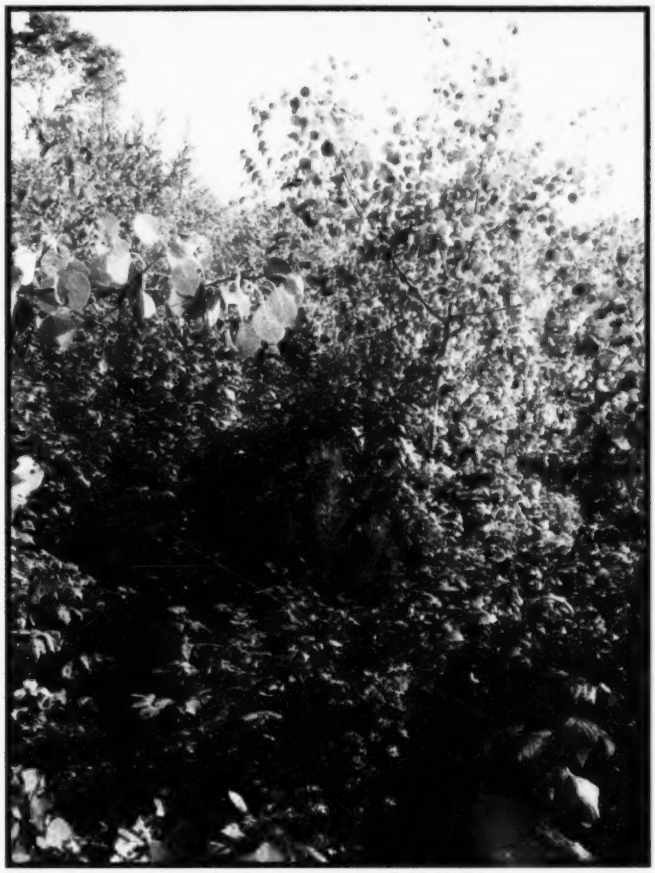
that promote the development of mixedwood forests through natural succession. These areas also support heavy competition by grasses and/or raspberries and other vegetation following harvesting. As indicated, the competition by non-crop species on conifer renewal sites is a concern (Photographs 2 & 3). Management of these sites requires considerable professional judgment with regards to site-specific regeneration strategies and/or tending prescriptions. Diligent monitoring is required to ensure that sites are satisfactorily stocked and that site competition is assessed in an appropriate timeframe, and that timely follow-up treatments are implemented to ensure that the investment in regeneration is not lost. This is particularly relevant in consideration of the forecasted age class area imbalances on the forest.

We visited several sites where a more timely and/or more frequent tending intervention was warranted (i.e. planted stock was enduring heavy competition or survival rates were low). The effectiveness of ground tending in some areas was spotty or poor. The poor results may be attributed to a number of factors ranging from difficulty in locating planted stock during manual spray operations, to poor supervision, to problems specific to the chemical (i.e. active ingredient concentration, etc.). Recognizing that treatment failures can and do occur from time to time, we encourage Weyerhaeuser to explore other treatment options including aerial herbicide applications, more extensive use of chemical site preparation or the use of brush saws with "sproutless" herbicide applicators etc. Subsequent treatments may be required on some sites to ensure the planted crop meets stocking requirements and attains free-to-grow status.

Many of the conifer mixed wood sites we visited will be formally assessed for stocking to conifer during 4th year assessments conducted by the Company. At that time a determination will be made with respect to the requirement for silvicultural intervention to ensure that silvicultural targets with respect stocking levels to conifer are met. Our field observations indicate that the competing vegetation on some of the sites has matured to a point where the tending intervention may no longer be economically and logistically viable. Other areas inspected would benefit from a tending treatment. As indicated, more timely monitoring (and treatment (if required)) of competitive mixed wood sites planted with conifer would help to reduce the potential for lower than anticipated conifer stocking levels, planting failures and the loss of the investment in artificial renewal.

An age class area imbalance exists on this Forest and one opportunity to reduce the impact of the anticipated wood supply shortage is to maximize the growth potential on areas that have been artificially renewed to conifer. Many of the key competitor species associated with these sites re-sprout vigorously from stems, underground rhizomes, and/or root stocks. The use of manual and or mechanical control methods can often exacerbate competition problems and require repeat treatments. In our view, the on-going use of chemical herbicide

treatments should be an essential strategy to address the looming wood supply shortage.



Photograph 2: Heavy competition by hardwoods and other vegetation on a mixedwood site planted with conifer.

Photograph 3: Red pine seedling amongst heavy hardwood competition.

Aerial chemical tending has not been undertaken on the Forest since the 1996 FMP term. Reasons for the shift away from aerial tending are similar to those cited for the declining trend in chemical ground treatments. Additionally, the problem associated with securing and retaining contract aerial spray services was compounded by the relatively small area annually scheduled for treatment, the relatively small sizes of the treatment blocks, and other logistical issues (i.e. availability of local providers, timing schedules, etc.). Despite these challenges Weyerhaeuser should continue to explore opportunities for aerial tending. A public information campaign and/or the stratification of treatment areas to select more remote or inaccessible sites for aerial tending may provide some flexibility with respect to options for the delivery of an aerial tending program.

Our field audit leads us to the following conclusions with respect to the tending program:

a. Weyerhaeuser needs to formalize and improve its field monitoring program to enable an earlier assessment of competition and treatment requirements on mixedwood sites with conifer renewal.
b. Treatment effectiveness monitoring needs to be timelier than currently undertaken on competitive ecosites.

c. The current tending program needs to be expanded to include other treatment options (e.g. aerial and mechanical treatments).

We provide the following recommendations to address these concerns:

Recommendation # 3:

Weyerhaeuser should formalize and improve its field monitoring program in areas treated for conifer renewal to enable a more timely assessment of site competition and tending requirements.

Recommendation # 4:

Weyerhaeuser should expand its vegetative competition control program to include other treatment options in addition to manual ground chemical tending.

Planned levels of mechanical thinning were not achieved during the audit term, with only four hectares of a planned 662 ha thinned during the 2001 FMP term. This was the result of:

- Difficulties finding qualified contractors.
- An evaluation which showed poor economic returns for mechanical thinning of jack pine on lower site classes.

Thinning targets in the 2006 FMP were reduced (200 ha for plan term) to reflect these circumstances. No treatments have been conducted during the 2006 FMP term.

During the audit period no protection activities had been planned, however during 2005-2006 a large outbreak of Jack Pine Budworm required OMNR to conduct a control operation (Photograph 4). Control measures included the spraying of 33,667 ha on the Kenora Forest in 2007. We inspected several sites and viewed other treated areas from the air and concluded that the control program was effective.

Photograph 4: Jack Pine Budworm mortality on the Aulneau Peninsula.

3.4.6. Renewal Support

Renewal support during the audit period consisted of seed collection, tree improvement and nursery stock production. Sufficient quantities of seed and growing stock were available to meet the requirements of the renewal program.

Tree improvement activities were undertaken in co-operation with Forest Genetics Ontario and the Superior Woods Tree Improvement Association at various locations during the audit period. Improvement activities included; pollen collection, roguing, and cone and scion collection.

We conclude that Weyerhaeuser has an effective renewal support program.

3.4.7. Access

Road construction, water crossings, road maintenance and other access activities must be conducted in accordance with the FMP, AWS and laws, regulations, policies and guidelines in effect during the audit term.

As discussed in Section 2.2.3, there have been long-standing issues related to full access to all the Working Circles. Planned road construction targets were therefore not achieved due to issues associated with access to WC 1 and 4 (i.e. on-going FN negotiations, costs etc.) and lower than planned harvest levels.

For the preparation of the 2001 FMP the OMNR completed a review of the entire road network on the Forest. That review resulted in a reclassification of various roads to accurately reflect use patterns (i.e. roads in existence for more than 15 years are primary, more than 5 years secondary, less than that are tertiary). This same road evaluation and classification was used to guide access development in the 2006 FMP.

We concluded that access planning was well done in the 2006 FMP. We reviewed a number of road use management strategies and determined that there was an environmental analysis completed that included a rationale for construction, an assessment of potential effects, mitigation measures and, where applicable, alternatives. The selected road corridor was shown on the operations maps and alternate road locations were provided in the Supplementary Documentation. Public comments were received and considered in the planning of roads. LCC members informed the audit team that they were consulted on road requirements and locations. Interviews with Company staff and planning team members indicated that adequate information was available to properly plan access requirements for both the 2001 and 2006 FMPs. As required, access controls were planned to protect tourism and other non- timber values. Our assessment is that the planned roads supported the selected management alternative.

Water crossing construction was identified as an issue in the previous IFA. As a result of the audit recommendation Weyerhaeuser implemented training courses for its contractors and introduced more stringent monitoring of water crossing installations. During the field audit, we viewed 31% of the water crossings installed during the audit term (16 of 51). We found the crossing were well constructed and were in accordance with the FMP, the AWS and guidelines. This level of achievement is supported by the fact that were approximately 100 Forest Operation Inspection Reports (FOIRs) related to access during the 2003-2008 period with only four NICs. Culverts are assessed during normal operations and when encountered plugged culverts are cleared. Local trappers are enlisted to remove nuisance beavers in areas where culverts are blocked on a regular basis.

Road abandonment in the Kenora Forest can be a contentious issue for the public. The 2006 FMP stated that a review would be undertaken to assess other users concerns prior to the implementation of road abandonment measures. That review had been completed and abandonment strategies (i.e. timing) addressing identified concerns had been developed. Abandoned and deteriorating roads can also create potential environmental problems associated with erosion and siltation. Best management practices such as the construction of water bars[19] and the seeding of approaches were in evidence to reduce those risks. On-going public use had reduced the effectiveness of the abandonment practices at some locations by destroying new growth and breaching berms and trenches.

We reviewed a number of AOC prescriptions associated with access and determined that the FMPM requirements were fully met.

Management of aggregate removal areas for road construction was identified as an issue in the previous IFA. Aggregate areas were identified in the FMP and the AWS. Our interviews with OMNR compliance inspectors revealed that there were no problems associated with aggregate removals during the audit term. Our audit field inspections took us past several gravel pits, and we concluded that found no significant issues with respect to aggregate removal areas.

In 2006 the Provincial Government established a fund to support the construction and maintenance costs for primary and secondary forest access roads that also provide general access for the public. A requirement in the IFAPP is that auditors inspect a minimum 10% sample of roads work funded under this arrangement. We inspected 68% of the road construction and maintenance activities (e.g. ditching, grading, washout repairs, etc.) that had been invoiced under the arrangement and confirm that work was undertaken as invoiced.

3.5. System Support

3.5.1. Human Resources

Our discussions and interviews indicated that OMNR and Weyerhaeuser staff are knowledgeable and demonstrated a commitment to forest sustainability.

Weyerhaeuser received CSA certification in 2005. Surveillance audits to maintain the certification were undertaken in 2006, 2007 and re-registration was achieved in 2008. Our assessment is that the certification met IFAPP human resources requirements.

[19] A water bar is a shallow trench with a mound (or berm) which provides cross drainage and intercepts runoff on skid trail, inactive or closed roads.

These requirements included;

- Appropriate and sufficient communication between managers at Weyerhaeuser and their respective employees.
- Effective communications with contractors on the Forest.
- A full range of timely, adequate and effective training programs.

Weyerhaeuser and the District OMNR had utilized a range of training methods and materials to ensure employees were fully aware of their responsibilities, and capable of carrying them out. Formal courses, presentations and a full range of communication methods (e-mail, bulletins, and formal courses) were used to ensure staff are aware of the intent, content, and implementation requirements of legislation, manuals and guidelines.

We examined listings of the training courses and determined that staff had attended relevant courses such as Annual FMP Workshops, SFMM and NDPEG training. In our opinion, the training was timely and relevant.

We note that the OMNR had a contract biologist on the Kenora Forest at the time of the field audit. During the development of the 2006 FMP a biologist was in place in a permanent biologist position; however, that individual left and since that time the position on the Forest has been filled on a contractual basis by 2 different individuals. The individual filling it at the time of the field audit indicated to us that she was also leaving for another position. The Kenora Forest has an unusually complex diversity of wildlife and fisheries values associated with numerous tourist businesses, First Nations, cottagers and many related resource users. Company and OMNR staff indicated that the turnover of biologists created short term problems with respect to timely and knowledgeable responses to issues. In our experience, contract employees will always be leaving in their search for a permanent position or longer term contract and do not provide the continuity a management unit of this complexity requires. It is our opinion that this Forest requires the local knowledge and experience that comes with long term tenure in the biologist position.

Recommendation # 5:

The OMNR District Manager should ensure the Kenora Forest biologist position is filled on a long term basis.

3.5.2. Documentation and Record Quality Control

The Company and OMNR information management and maintenance systems must be complete, effective and include current forest indicator and inventory

changes. Documentation, information and data must meet FMPM and Forest Information Manual (FIM) requirements and specifications.
Weyerhaeuser's document and record control processes met all requirements. We interviewed individuals who had assigned responsibilities for the collection, control, distribution and updating of documents. There was a system to remove and replace obsolete documents. Paper copies of documents were stored in several locations in the Weyerhaeuser Office and readily available for our audit inspections. The record management system also includes the use of an off-site corporate server which functions as a data repository and fulfills a data backup function.

The OMNR had effective filing and document control processes. Our requests for information were met in a timely manner. Maps and documents were kept current and there was a system to ensure maintenance and distribution. For example, while individual staff maintained their own training records there was also a master back-up training file with one individual assigned to keep it current.

Copies of documents requiring cooperative reporting between the OMNR and Weyerhaeuser were available in both offices. There was good communication between the parties and a system in place to ensure joint reporting occurred within appropriate timeframes.

Both organizations make effective use of geographic information systems technology (GIS).

3.6. Monitoring

Monitoring programs must be developed and implemented to assess compliance and effectiveness of operations in relation to the FMP, laws and regulations. Operations must be reported regularly and reporting must examine the effectiveness of these operations in achieving management objectives.

Compliance monitoring of forest management activities is a joint responsibility shared between the SFL holder and the OMNR. The SFL holder is responsible for field inspections for compliance and non-compliance, reporting to OMNR, implementing corrective or preventive measures, and providing training and education to contractors and staff. In addition to carrying out its own inspections, the OMNR audits industry compliance inspections, assesses the significance of instances of non-compliance and determines corrective and/or enforcement actions.

The 2004 IFA resulted in several recommendations specific to monitoring and compliance on the Forest. These included increased water crossing inspections, preventative training for repeat offenders, adherence to standards and the timely submission of reports.

The results of our findings regarding District and SFL holder compliance planning and monitoring are discussed in the following two sections.

3.6.1 District Compliance Planning and Associated Monitoring

The Annual Compliance Operating Plan (ACOP) produced by the OMNR was prepared in accordance with the guidelines. There was a focus on the past IFA recommendations (e.g. water crossing inspections). However, we did note that a 2007-2008 ACOP was not prepared. The OMNR explained that the failure to complete a formal ACOP that year was the result of:

- In 2007 enforcement direction and supervision was moved from OMNR Districts and centralized at the corporate level. During that transition period the formal initiation of a Kenora District ACOP did not occur.
- As well, during that same period the Kenora Forests compliance staff was fully engaged in a major budworm spray program on the Aulneau Peninsula.

While a formal District ACOP for 2007-2008 was not prepared, we note that the individual District programs (e.g. fire, forests) did plan and implement their normal field programs. The Forest program also completed its own planning based on AWS information. Field inspections were carried out. The lack of a formal ACOP was identified by the District Manager, corrective action was taken, and an ACOP was produced for 2008-2009. Based on the corrective action that was taken in this instance we do not believe a recommendation is required.

We reviewed a sample of Forest Operations Inspection Reports (FOIR) for completeness and adherence to submission deadlines. These are submitted electronically into the Forest Operations Information Program (FOIP). District OMNR staff were knowledgeable and the individual FOIRs were readily retrieved from the FOIP system. In our assessment, inspection reports were complete and submitted in a timely manner.

The Kenora Forest Annual Compliance Plan provides information on harvest blocks in each activity (e.g. harvest, access), a description of the monitoring activity (e.g. full FOIP audit), the planned target level of inspections, (e.g. 100%, 50%), the legislative authority (e.g. Fisheries Act), the lead OMNR inspector and a status report (e.g. completed, partially completed).

There was a large gap between planned and actual inspections in the first years of the audit term. We were informed that the reason for the large gap was changed and/or a reduced number of harvest blocks due to the general downturn in the industry. The Compliance Inspectors also intentionally over-estimated planned inspections to cover all contingencies that might arise in the coming year. That gap was reduced in later years as the downward trend in industry

operations became more predictable and the Compliance inspectors made more realistic appraisals of what they could accomplish.

Table 3 provides a summary of OMNR compliance inspections.

TABLE 3. OMNR COMPLIANCE INSPECTIONS, KENORA FOREST 2003-2008

Activity	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Access	15 (2)	6	4	0	0
Harvest	30 (3)	17 (1)	11 (3)	5	3
Renewal	4	4	2	2	2
Maintenance			2		
TOTAL[20]	**49**	**27**	**19**	**7**	**5**
% NIC	**10%**	**3.5%**	**15.7%**	**0%**	**0%**

Source: Annual Reports - 2002-2004 from FOCIS, 2004- 2008 from FOIP
( ) Numbers in brackets are "Not in Compliance" reports

We are concerned about the relatively few OMNR compliance inspections in 2006-2007 and 2007- 2008. We note that the previous IFA provided a recommendation requiring an increased focus on water crossing inspections. However, our review of annual inspections indicates that no access inspections were carried out in 2006-2007 and 2007-2008. The OMNR explained that *"... although an access inspection may not show in the table, looking at roads access for any problems would still be done while doing a harvest inspection".*

We acknowledge this fact; however, we note that while the Kenora Forest has two OMNR inspectors there were few inspections carried out in all activities for the 2006-2007 and 2007 – 2008 periods. This situation may be partially explained by the fact that there was a significant reduction in industry forest operations during these periods with the majority of overlapping licencees not in operation.[21] We would have expected more OMNR inspections; however, we also note that there were few compliance issues on the Forest during the audit period and that the OMNR and industry staff are very experienced, have reached an effective working arrangement that has resulted in relatively few compliance

[20] NOTE: There are differences in the AR numbers and the actual number of completed FOIR reports as a result of some inspections being conducted on older approvals and blocks from the previous year. We reviewed the files with the OMNR and adjusted the numbers to reflect the actual numbers of inspections at the time of the field audit.

[21] The SFL holder still carried out a substantial number of compliance inspections (i.e. Table 4 shows 98 in 2006-2007 and 45 in 2007-2008) with an average NIC rate of 5% for the 2 years.

problems, and effective resolution of those that do occur. Although we do not have the basis to recommend a specific number of OMNR inspections needed to satisfy our concerns, we do believe that the District Manager should satisfy himself that adequate inspections (of all overlapping licensee operations) are taking place.

Recommendation # 6:

The OMNR District Manager should review the number of compliance inspections taking place on the Kenora Forest and make an assessment of their adequacy.

Our overall assessment is that the OMNR has developed an effective compliance program that conforms to all applicable policies, manuals and procedures.

3.6.2. SFL Holder Compliance Planning and Monitoring

The 2006 FMP contains the 2006 -2011 Compliance Plan that conforms to the Guideline for Forest Industry Compliance Planning. There is a stated goal and comprehensive objectives and strategies. Implementation and reporting responsibilities are clearly detailed. The document identifies past problem areas such as water crossings, aggregate pit reclamation and water management on roads. It also provides an overview of how the Company will address and resolve those issues.

The amount of inspection activity by year and forest activity by Industry is shown in Table 4.

TABLE 4. INDUSTRY COMPLIANCE INSPECTIONS, KENORA FOREST 2003-2008

Activity	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Access	3	58 (1)	0	12 (1)	3
Harvest	46 (2)	66 (1)	70 (5)	80 (4)	35 (2)
Renewal	29	12	5	4	4
Maintenance				2	
TOTAL	**78**	**136**	**75**	**98**	**42**
% NIC	**2.5%**	**1.4%**	**6.6%**	**5.1%**	**4.7%**

Source – 2003-2008 from FOIP
( ) designates Not in Compliance Reports

Water crossings were given a priority as a result of the previous IFA findings, and Weyerhaeuser implemented additional training and inspections of Overlapping Licensees to address this concern. A review of inspection records indicated that access inspections were carried out relative to the level of activity on the Forest. A combined total (Industry and OMNR) of 4 access-related NICs (Not in Compliance) was recorded over the audit period. Three (3) of those occurred in the first 2 years. Our assessment is that water crossing issues are now being appropriately addressed by the Company.

We reviewed the remedial actions taken for all NICs in all activities and concluded that they were effective. Reasonable punitive actions were applied for offenses and the Company/OMNR hold a general philosophy that education and training is the most effective means of ensuring future compliance. The Company has an effective internal compliance education program that is delivered to staff, contractors and overlapping licensees. It is well supported by its Environmental Management Systems (EMS) and CSA certification.

Weyerhaeuser addressed issues associated with open harvest blocks by assessing and limiting the number of active blocks in relation to the operator's allocation and past work performance.

The Annual Work Schedules contain annual Compliance Plans that provide monitoring and Inspection schedules. They provide specific information on sensitive areas and details on the Companies planned monitoring programs (e.g. bird nest monitoring, road inspections, pit inspections). It is our assessment that the annual Compliance plans meet required standards.

At the time of the field audit there were 2 OMNR and 3 Company compliance inspectors working on the Forest. Interviews with inspectors and senior staff from both organizations determined that these were appropriate staffing levels.

The Compliance Plan states that as a result of First Nations input, some areas may require additional retention levels of 36 leave trees per hectare as opposed to the standard 25 trees. The additional leave tree requirements did not result in non-compliance in regards to utilization standards.

Our assessment is that the Company has developed compliance plans in accordance with all SFL and OMNR requirements. There is an effective field inspection and monitoring program in place that has resulted in relatively few compliance problems on the Forest. Inspection reports are accurate and submitted in a timely manner.

Overlapping Licencees

No overlapping licensees or contractors had been delegated formal compliance inspection responsibilities. However, the Compliance Plan states that;

"Compliance monitoring is an everyday activity for all individuals working on forest operations. Everyone including equipment operators, supervisors, contractors, overlapping licensees and Trus Joist management people have a responsibility to monitor compliance as part of their daily activity".

The Company requires each overlapping licensee and contractors working on the SFL to take training on safety and environmental standard operating procedures as well as the legal requirements involved in their job. Overlapping Licensees and contractors are required to train their own employees to Trus Joist standards.

Weyerhaeuser has provided overlapping licensees with targeted training to address specific problems. For example, a session involving OMNR, the Company and overlapping licensees was held in 2005 to address improved watercourse crossings and installation practices. Joint inspections were held specific to short and long term erosion control, cross drainage structures and the appropriate location of those structures.

The 2006 FMP identifies many areas of steep slopes and rocky outcrops (similar to the 2001 FMP) that potentially create bypass problems in terms of leaving operable merchantable timber standing. These potential issues of non-compliance were identified to Overlapping Licences.

Our assessment is that the Company has done an effective job of training and monitoring the actions of overlapping licensees.

3.6.3. Silvicultural Standards and Assessment Program

Weyerhaeuser conducts field surveys (aerial and ground) to monitor and track the effectiveness of its silvicultural program. These activities include the assessment of regeneration success, vegetative competition, free-to-grow status, etc.

The area assessed for free-to-grow status was lower than planned due to a management decision to not conduct surveys for two years during the audit term (e.g. 2005, 2006). Surveys were conducted in 2007 (19,242 ha) and 2008 (2,400 ha) to address the backlog in areas requiring survey. Assessment levels are generally in balance with the area harvested and the assessments indicate that the Forest is being satisfactorily renewed. Field assessments of the areas declared as free-to-grow confirmed that the declared areas met the required regeneration standards and stand descriptions were accurately reported.

Under its SFL obligations Weyerhaeuser is required to determine the regeneration status of 8,735 ha of land classified as X, Y, Z lands.[22] We note that although progress has been made in determining and reporting on regeneration efforts on these areas a backlog (1,046 ha) still requires free-to-grow survey. We provide the following recommendation to address this concern.

Recommendation # 7:

Within the next 12 months Weyerhaeuser should complete free-to-grow surveys on all Class X, Y, Z lands.

Renewal on harvested areas is formally sampled 4-5 years following the harvest, with an inspection of sites occurring after two years. Records of the year two assessment are not entered into corporate database, but rather are retained in field notes and/or log books. As indicated in Section 3.4.5., we concluded that Weyerhaeuser needs to improve its field monitoring program and that the tracking of silvicultural activities needs to be formalized. We provide a recommendation to address this concern.

We observed several blocks (particularly mixedwood forest units) that would have benefited from a more timely delivery of tending treatments. In some areas there was a requirement for conifer infill planting; however, due to high levels of competition on the cutover that option was lost. While these areas were scheduled for renewal to mixed wood forest units, and the new stand will retain a component of conifer, an investment in conifer renewal had been made and is being lost. The company should ensure that site competition is assessed in an appropriate timeframe, and that timely follow-up treatments (as required) are implemented to ensure that their investment in conifer renewal is not lost (Section 3.4.5.).

The 2006 FMP included exceptions to the silvicultural guides involving full tree logging on shallow soils, aerial seeding of jack pine and scarification for jack pine regeneration. The company is participating in a monitoring program with the OMNR that is field testing full tree logging on shallow sites in the Northwest Region, and monitoring renewal practices as part of its routine monitoring program. However, these results were not reported in the Annual Reports as required. A recommendation is provided to address this shortcoming in Section 3.6.5. No monitoring activities occurred related to the exceptions in the SGRs for aerial seeding or scarification for jack pine as no activities occurred on the identified ecosites during the audit term.

[22] X lands are areas harvested on or after April 1, 1995. Y lands are areas harvested prior to April 1, 1995 and treated by artificial regeneration techniques. Z lands are areas harvested prior to April 1, 1995 and scheduled for natural renewal.

In 2007[23] the OMNR conducted a Silvicultural Effectiveness Monitoring (SEM) program on site preparation, tree planting, and assessed FTG surveys completed by the SFL holder. Information collected by the program on the site preparation and planting programs will be used to calibrate forest modeling assumptions and silvicultural ground rules for future plans. The site preparation monitoring was an effort to quantify the quality of the site preparation program through the assessment of percent coverage and mineral soil exposure. The survey indicated good results for site preparation work on the sampled areas. The tree plant assessment program is intended to provide an evaluation of Weyerhaeuser's artificial renewal program on the basis of available planting spots, natural ingress and average density of planted conifers. The program findings highlighted the requirement to conduct follow-up silvicultural interventions (i.e. competition control) to maintain conifer stocking levels on the sampled areas.

3.6.4. Monitoring Indicators of Forest Sustainability

Weyerhaeuser was effectively monitoring and recording the measurable indicators of the five forest sustainability criteria as required by the 1996 FMPM to the extent possible. Some criterion data (i.e. landscape pattern indices, wildlife habitat) was limited because it was not required in previous plans. For other criterion the under-achievement of harvest contributed to the poor results (i.e. % of harvest area actually utilized).

Weyerhaeuser conducts field surveys (aerial and ground) to monitor and track regeneration success, vegetative competition, free-to grow status, the effectiveness of herbicide release treatments and the status of roads and water crossings etc. All renewal areas are assessed for establishment success. In general, an acceptable monitoring program is being implemented by Weyerhaeuser, its contractors and the OMNR. We do raise concerns in Section 3.4.4. and Section 3.4.5. with respect to a requirement that Weyerhaeuser formalize record keeping for 2nd year assessments and conduct more timely monitoring of stocking and competition levels on mixedwood sites planted with conifer.

3.6.5. Annual Report

An Annual Report (AR) summarizes the forest management operations carried out during the preceding year (April 1 – March 31). The purpose of the AR is to document the annual implementation of forest management operations, and to monitor progress towards achieving targets identified in the FMP. The text provides explanations for significant differences between the level of activity scheduled in the AWS and the level of activity that actually occurred. The text also provides a discussion on emerging trends or issues. The Plan Author is

[23] Dawe, M., Bonang, J. Kenora Forest 2007 Silvicultural Effectiveness Monitoring Program.

responsible for the preparation of the AR with the OMNR having responsibility for specific parts of the document.

We reviewed Annual Reports completed for each year of the audit period with the exception of the 2007-2008 AR which is not required until November of 2008. The ARs did not fully meet the reporting standards set out in the FMPM, the FIM and the Annual Report Preparation and Review Protocol, as there was no reporting on the monitoring of exceptions in the silvicultural ground rules or annual reporting on natural regeneration (2006 AR). A recommendation is provided to address these shortcomings.

Recommendation # 8:

Weyerhaeuser must ensure that all FMPM reporting requirements for Annual Reports are met.

The previous audit identified problems with past Annual Reports not meeting FMPM requirements. The quality of text and tables in the ARs did improve over the audit period; however, required revisions resulted in some missed submission deadlines during the audit period.

With the exceptions noted above, reporting in the ARs was accurate and explanations of any significant differences between the level of activity scheduled in the AWS and the level of activity that actually occurred were provided. While the ARs generally met the reporting requirements and standards, we believe the overall quality and effectiveness would be enhanced by a more detailed discussion of the annual issues and findings.

3.7. Achievement of Management Objectives and Forest Sustainability

3.7.1. Report of Past Forest Operations (RPFO) or Year Ten Annual Report (AR)

The Year Ten Annual Report is intended to provide a summary of forest management operations during fiscal year 2005-2006, evaluate progress on the implementation of the forest management plan and provide information to monitor progress towards the longer term achievement of forest sustainability.

The report included a summary of annual operations, the analysis of forest disturbances, review of renewal and tending activities, a review of forest modeling assumptions and an assessment of objective achievement and determination of sustainability for the 2001 FMP.

Not all FMPM requirements related to reporting were met. While the review of tending and renewal programs reported on the level of activities, there was no assessment of the effectiveness of the programs. No recommendations for changes to the existing renewal or tending programs were made.

The report categorizes the recommendations contained in the past IFA in terms of area of responsibility but does not provide a discussion of the progress made on implementing the recommendations or any implications for subsequent planning. A major shortcoming of the report is that the assessment of the effectiveness of exceptions was not included.. The document would also benefit from more discussion of the management implications of observed shortfalls in silvicultural activities and objective achievements.

A recommendation is provided (Recommendation # 8) to address these shortcomings.

The data trends related to forest sustainability are more fully discussed in the sections below.

3.7.2. Assessment of Objective Achievement

An assessment of the achievement of 2001 FMP management objectives must be made by the forest manager in the Year Ten AR by comparing planned targets for each objective against the actual level of the target achieved. As part of this forest audit, this assessment must, in turn, be reviewed and assessed for the audit period.

Our assessment of objective achievement for the 2001 FMP is made in Table 5 below. Our comment on progress being made toward the achievement of the objectives and targets of the 2006 FMP is also provided.

TABLE 5. SUMMARY OF THE STATUS OF THE 2001 KENORA FMP OBJECTIVES

2001 Objectives	2001 Targets (summarized)	Auditor Comments
Forest Diversity Objectives		
Natural Landscape Patterns: To simulate landscape disturbance patterns characteristic of the site region in which the KMU occurs (4S and 5S).	To quantify the proportions of the managed forest landscape such that harvest areas would simulate wildfire disturbances.	Progress toward this target is being made. Clearcut harvest areas were designed to simulate size and distribution of forest disturbances. Consistent with the objective, there was an overall reduction in the percent frequency of the smallest size class despite an increase in the number of

		disturbances in the smallest size class.
Diversity Of Forest Structure (Age Class Distribution): To maintain, renew, and/or enhance forest structure such that there is a variation in forest unit and age classes, and having a varying distribution of diameter classes representative of the natural forest condition.	To move towards the age class distribution as described by the null (natural) forest condition for Hills Site Regions 4S and 5S.	Progress toward this target is being made. The selected management alternative was designed to move the Forest toward the desired future forest condition but not fully to the structure defined by SFMM. The 10 year annual report indicated that there was very little change to the age class distribution over the five year term of this FMP. This is reasonable due to a low level of natural disturbance on the landscape.
Forest Ecosystem To identify, enhance, and maintain forest ecosystems (forest species composition) on a sustainable basis.	To simulate the forest composition (forest unit) as described by the null (natural) forest conditions as described by Hills' Site Regions 4S and 5S.	Forest units were changed for the development of the 2006 FMP, thus it is premature to measure progress on this target. The forest unit composition remained the same over the plan term.
Red and White Pine To maintain and enhance red pine and white pine forest ecosystems, including old growth stands, to ensure they are present on the landscape now and into the future, while permitting a sustainable harvest of red pine and white pine.	To maintain minimally, 24 ha. in Hill's Site Region 4S, and 1,802 hectares in Hill's Site Region 5S in the red pine forest unit, as described by the natural forest condition. Historically, the 1966 FRI had reported 1661 hectares of the red pine forest unit as present on the land base in site regions 4S and 5S.	Progress was made toward these targets. 15.6 ha of red pine forest unit were regenerated and brought back into the inventory for development of the 2006 FMP.
	To maintain minimally, 397 hectares in Hill's Site Region 4S, and 10,664 hectares in Hill's Site Region 5S in forest unit, as described by the natural forest condition. Historically, the 1966 FRI had reported 4,921 hectares of the red and white pine forest unit as present on the landscape in	43.1 ha of red and white pine forest unit were regenerated and brought back into the inventory for development of the 2006 FMP. Approximately 76 hectoliters of red pine and white pine seed were collected over this term with the majority (49.8 hl)

	Site Regions 4S and 5S.	being white pine. Over 500,000 red pine and white pine seedlings were established through planting with 316,400 red pine and 215,400 white pine.
	To identify and preserve representative stands of red and white pine which exhibit old growth characteristics.	Two Conservation Reserves (OLL) that were identified as Areas of Natural and Scientific Interest (ANSI) were identified and are excluded from Forest operations (888 ha). Additionally conservation reserves were established in the Lake of the Woods islands and Western Peninsula conservation reserve. These reserves contain red and white pine.
Rare Plant Species and Communities To maintain representative areas of plant communities, such as black ash, where they presently exist on the landscape.	To maintain minimally, 242 ha. of the "other hardwood" forest unit (predominately black ash) in Site Region 4S, and 2639 ha. in site region 5S.	This target is being met. A very small amount (6%) of the planned harvest level for the "other hardwood" forest unit took place. When "other hardwood" occurred in harvest areas it was left standing to achieve this objective. The 8.1 hectares that was harvested will allow for regeneration of young black ash stands.
Socio-Economic Benefits Objectives Sustainable Wood Supply: To provide a sustainable wood supply to the forest industry and local community.	To minimally provide, on an annual basis, current Ministerial mill commitments of 132,950 m^3 of conifer, 146,000 m^3 of hardwood to wood processing facilities; 3,750 m^3 for fuelwood and 7,221 m^3 to Wabaseemoong Independent First Nations. To consider a target of 60,000 m^3 of conifer to be offered to Abitibi-Consolidated Inc. should forest operations proceed in Working Circles One and Four.	This target was met in that harvest volumes were available; however, harvest levels were consistently below forecast. Approximately 45% of the five-year allowable harvest area was cut. Although harvest of poplar increased with the startup of the Trus Joist mill in fall 2002, reaching full production in fall 2005, conifer processing facilities in the area experienced slowdowns. The softwood lumber dispute with the U.S also negatively

Wabaseemoong Memorandum of Understanding To provide harvesting opportunities to Wabaseemoong Independent First Nations as defined in the 1983 Memorandum of Understanding between Islington Band #29 and the Province of Ontario.	To provide Wabaseemoong Independent First Nations with a sustainable wood supply of 7,221 m^3 of timber (composed of all tree species), as a minimum, from Working Circle Two.	impacted local sawmills and the Abitibi Consolidated paper mill in Kenora permanently closed in October, 2005.
Provision of Forest Cover Objectives		
Animal Habitat Diversity: To ensure that forest cover provides the range of habitats needed for the wildlife species selected for management within the KMU.	To manage the species deemed as significant indicators of forest and wildlife health for the North West Region within the +/- 20% of the bounds of natural variation as determined by the null (natural) forest condition.	The selected management alternative met this objective. Comparisons from the 2001 FMP to current forest conditions for selected wildlife species is impractical as the areas of all habitat units were revised during the development of the 2006 planning inventory.
	To maintain and enhance wildlife habitat on the Aulneau Peninsula as directed by the Aulneau Enhanced Wildlife Management Plan.	Partially met. The Aulneau Enhanced Wildlife Management Plan was approved; however, forest management activities have not taken place due to access issues and inconclusive FN negotiations.
Featured Species: To manage and maintain specific areas of forest cover to optimize the habitat required by the following provincially featured species of deer, moose, caribou, and marten. To manage forest habitat critical for all other provincially and locally featured species identified in this FMP.	Caribou - To maintain winter caribou habitat in working circle one at a minimum of 10% above the minimum level of habitat.	The selected management alternative was designed to meet this objective. No activities occurred in the caribou zone during this term. Proposed operations around Sydney Lake did not take place and are not proposed to take place in the 2006 FMP. Any changes to caribou habitat were a result of natural disturbances or natural aging of the forest. Habitat levels increased during

	Deer - To maintain current levels of deer habitat in Working Circles Two and Three.	the plan term for both summer and winter. The Kenora deer habitat suitability was not continued for use in the 2006 FMP and therefore was not reported.
	To manipulate summer and fall deer habitat on the Aulneau Peninsula in the zone as designated for deer.	Not met. Since no work was proposed or completed on the Aulneau Peninsula any changes were of natural origin.
	Moose – To maintain moose habitat above the natural variation mean in Working Circles 2, 3, and 4.	Met. Habitat levels changed slightly over the plan term.
	To maintain the forest land base in the moose zone of the Aulneau Peninsula in prescribed age class structures and trees species composition.	Not met. Since no work was proposed or completed on the Aulneau Peninsula any changes were of natural origin.
	Marten – To maintain marten habitat levels across the KMU for 150 years at levels similar to those determined by the null (natural) forest condition.	The selected management alternative as designed, met this objective.
	To manage the zone where marten are featured to ensure "core" areas are continually available over time.	Marten cores were established during the plan production of both the 2001 and 2006 FMP's. Marten guidelines calling for the retention of snag trees were followed throughout the term of the FMP.
KMU Silvicultural Objective To apply silvicultural practices that will maintain the long-term productivity of the forest through harvesting, renewal, protection, access and stand maintenance activities.	To utilize the most appropriate range of silvicultural treatments to meet the long-term sustainable flow of wood products from the KMU.	Planned silvicultural targets (e.g. renewal, tending, site preparation) were not fully achieved as a result of the lower than planned achievement of harvest levels.
	To utilize the most beneficial silvicultural ground rules (SGRs) that would be used to achieve specific plan objectives, while meeting the long-term wood supply commitments.	The 2001 FMP identified appropriate ground rules for the achievement of this target.
	To use the silvicultural renewal	Partially achieved.

	program of the selected management alternative from the SFMM model to guide future forest renewal and maintenance activities.	Regeneration of harvested sites has been effective, except for some mixed wood sites where tending program modifications are suggested. Reporting of silvicultural assessment results in Annual Reports needs to be improved.

The 2006-2007 Annual Report compiled data and information with respect to progress being made toward the achievement of the objectives and targets of the 2006 FMP. As indicated in the report, the Kenora Forest has a long history of under-harvest which is currently continuing. We agree with the AR's statement that; *"As this was the first year of operations for the 2006-2026 FMP it is too early to notice any emerging trends, however the forest industry situation is likely to have a continuous negative influence on the accomplishment of forest management plan objectives."*

3.7.3. RPFO or Year Ten AR Assessment / Determination of Forest Sustainability

Forest sustainability must be assessed at the end of the five-year term of the 2001-06 FMP, and a report on that assessment must be included in the Year Ten AR. This assessment of the success of the plan in achieving forest sustainability is produced through an examination of measurable indicators of the forest sustainability criteria, the collective assessment of objective achievement and the assessment of progress towards desired forest condition(s) and benefits.

Over time, actual indicator values for each measurable indicator will be recorded in successive plan terms to enable the detection of forest sustainability trends. This analysis will enable the determination of:

a. the direction in which implementation of the selected management alternative is moving the indicator values; and
b. whether or not implementation of the selected management alternative is moving the forest condition over time toward the desired future forest condition.

Twelve indicators of forest sustainability associated with five measurable sustainability criteria were reported on (e.g. area of Crown managed forest, water yield, number of FNs participating in the FN consultation option, etc.). The Year Ten AR Author provided an analysis of current status of the indicator and potential trends in instances where information was available. For some criterion data (i.e. landscape pattern indices, wildlife habitat) was limited as a result of the

reporting format and for other criterion the under achievement of harvest resulted in poor results for some indicators (i.e. % of harvest area actually utilized).

Plausible explanations were provided when information was missing for an indicator or instances where target achievements were lower than planned. The report author did conclude that "*...overall the assessments of the indicators of sustainability indicated that the current forest management operations on the Kenora Forest are sustainable.*"

Based on the limited information available in the Year Ten Annual Report we concur with this conclusion. This conclusion is premised on the following:

- The observed decrease in the area of managed Crown forest available for timber production during the report period is minor (loss of 4,384 ha) and can be attributed to the area removed for roads and conservation reserves.
- The amount of area disturbed in second order watersheds has declined when compared to previous plan terms.
- Sufficient funding was available for required silvicultural renewal activities.
- Changes to forest units have largely remained within the bounds of natural variability.
- Areas of harvest and renewal are relatively in balance.

It is expected that information gaps will be addressed with the use of consistent forest unit designations and reporting formats in future plan terms. This will enable a more meaningful interpretation of trends and sustainability assessment in successive Year Ten ARs.

3.7.4. Comparison and Trend Analysis of Planned vs. Actual Forest Operations Report

The Forest Manager is required to complete a "Comparison and Trends Analysis Report of Planned vs. Actual Forest Operations Report" as a requirement of the Independent Audit Process. The purpose of the report is to examine trends in planned vs. actual forest operations over time in order to provide a comparison of the current state of the Forest relative to its historic state.

The report was prepared in accordance with the requirements of Appendix C of the IFAPP and is included as an Appendix to this report (Appendix A).

The following trends are reported:

- One indicator of sustainability is the area of managed Crown forest available for timber production. The Crown managed productive area has decreased over the past three management planning terms (9,251 ha) as a result of area removals under the Ontario Living Legacy (OLL), technical procedures related to the calculation of stand areas in the forest inventory (i.e. truncating of areas rather than rounding) and a northern boundary change.
- The area classified as barren and scattered has declined significantly from 105,478 ha in the 1991-1996 term to 8,807 ha in the 2006-2011 term. This was the result of a reclassification within the forest resource inventory that more accurately classifies unproductive areas. Additionally, a significant area within the area classified as barren and scattered has attained free-to-grow status and therefore has been reclassified as productive forest land.
- There has been a historic underachievement of planned harvest levels. In the 2001-2006 plan term the actual area harvested was 45% of the planned level. Contributing factors for the underachievement included mill shutdowns, labour problems, poor markets conditions and other factors related to Working Circle access.
- Trends in harvest volumes reflect the lower than planned level of harvest activity. For the 2001-2006 plan term the harvest volume was 58% of the planned target, hardwood utilization was 32% of the planned volumes and conifer utilization was 43% of planned. For the current plan term (based on one year of data) wood utilization was 57% of planned volumes with hardwood utilization increasing to 67% of planned.
- Renewal targets have been underachieved with respect to planned levels largely due to lower harvest levels. When examined in the context of the actual area harvested and actual area treated for renewal they are generally in balance (1,315 ha harvested vs. 1,017 ha treated for renewal).
- Chemical tending treatments have significantly underachieved planned levels. This declining trend is attributed to a management decision to delay treatments until crop trees can remain above the competition after treatment, public opposition to the use of chemical treatments and problems securing contractors to perform the work.
- Free-to-grow survey results for areas harvested between 1993 and 1998 indicate a 97% renewal success rate.

We conclude that none of the reported trends indicate an immediate risk to forest sustainability. The underachievement of planned harvest levels for prolonged periods, however, does represent a loss of economic opportunity and could over time result in declining productivity on the Forest.

3.7.5. Conclusions Regarding Sustainability of the Crown Forest

The assessment of forest sustainability includes an examination of measurable indicators of forest sustainability criteria, an analysis of changes to forest and socio-economic conditions and an assessment of the audit findings and related field observations.

At the management unit level, the FMPM has five measureable criteria (with twelve associated indicators) which are used as indicators of forest sustainability:

- Biodiversity.
- Forest Condition and Ecosystem Productivity.
- Soil and Water Conservation.
- Multiple Benefits to Society.
- Accepting Society's Responsibility for Sustainable Development.

To arrive at our assessment of the achievement the sustainability criteria (Table 10) we reviewed:

- The steps taken to produce the 2006 FMP including the analysis of Objectives, Strategies and Management Alternatives.
- The Achievement of the 2001 FMP Management Objectives.
- The Year Ten Annual Report.
- The Comparison and Trends Analysis of Planned vs. Actual Forest Operations Report.

We have summarized our principal findings, arranged according to the indicators of forest sustainability, in Table 6.

TABLE 6. SUMMARY OF ACHIEVEMENT OF FOREST SUSTAINABILITY INDICATORS

Forest Sustainability Criteria	Met (yes/no/partial)	Audit Team Comments
Biodiversity	Yes	Cover types and wildlife habitat areas were within 20% of the bounds of natural variation; clearcut/wildfire sizes moved toward natural disturbance frequencies. There are no landscape

		pattern indices values available for past terms. The predicted values will allow for future comparisons and assessments.
Forest Condition and Ecological Productivity	Yes	The total productive Crown forest has decreased somewhat over the past several planning terms. Reasons for this reduction include the designation of additional protected areas (e.g. OLL), boundary changes and changes in calculation parameters. Changes in working group representation were due to amalgamations with different working group composition, re-typing of fire affected areas, and insect (budworm) related changes.
Soil and Water Conservation	Yes	Planning and management objectives were met; the area disturbed in second order watersheds declined from previous plan terms. During the field audit we observed improvements in water crossing installations and a related good compliance record.
Multiple Benefits to Society	Partial	The Selected management alternative (SMA) was superior in terms of Managed Crown Forest Available for Timber Production and forest unit area over time; however, low harvest activity has reduced the benefits being received from the forest. The SMA was ranked highest for overall objective

		achievement and did provide the best balance of all objectives; however, achieving that balance resulted in the SMA being ranked fourth for short-term socio-economic achievement.
Accepting Society's Responsibility for Sustainable Development	Partial	First Nation communities were provided with the option to choose an additional consultation opportunity with respect to forest management planning (FMNCP), however no First Nation utilized the program. While there was initial good representation on the Planning team the Aboriginal representatives generally withdrew later in the process. Efforts by Weyerhaeuser and the OMNR to engage the First Nations produced minimal results. Nevertheless, the Kenora First Nations continue to demonstrate concern about the potential negative effects of forestry operations, continue to request greater involvement in plan development, and continue to seek a greater share of forest benefits. In their statement in the 2006 FMP, LCC members supported the Plan. All required silvicultural funding was available, however renewal activity was lower that planned due to lower harvest levels.

The following audit findings and observations are indicative of the implementation of sustainable forest management on the Kenora Forest.

- The planning process was conducted in accordance with FMPM requirements.
- The identified forest management objectives targets and strategies are conducive to the achievement of the FMP goal. The Selected Management Alternative met all indicators of long-term sustainability, and ranked first for overall objective achievement.
- Harvest and renewal operational planning was consistent with meeting plan objectives. All areas selected for operations were consistent with eligibility requirements and harvest area.
- Appropriate silvicultural ground rules (some monitored exceptions applied) were adopted and the silvicultural treatment packages were appropriate for conditions observed in the field.
- AOCs were developed and implemented to appropriately protect identified values.
- Plan forecasts of revenues and expenditures reflected proposed field operations for the plan term and, in our opinion, are supportive of the selected management alternative. The renewal funding forecasts are adequate.
- The FMP adequately addressed the recommendations of the previous Independent Forest Audit.
- Harvest operations were properly implemented, and renewal was generally in balance with harvest.
- The compliance program indicates that operations on the Forest are compliant with existing regulations.
- Free to grow assessment levels are generally in balance with the area harvested and the assessments indicate that the Forest is being satisfactorily renewed.
- Changes to forest units have largely remained within the bounds of natural variability.

We do, however, have some concerns with respect to sustainable forest management on the Forest. These concerns include:

- The underachievement of planned harvest levels for prolonged periods represents a loss of economic opportunity which could over time result in declining productivity on the Forest.
- Improvements are required to the field monitoring program to ensure that adequate stocking levels are maintained and sites requiring competition control (particularly mixedwood sites) are assessed and treated in an appropriate timeframe. This is particularly relevant to the conifer mixed wood forest unit. More proactive management is required to address anticipated wood supply requirements and address the existing age class area imbalance.
- The mixed success of the artificial renewal program (particularly mixedwood sites on shallower soils), could have implications with respect to the achievement of FMP objectives and sustainable forest management.

Sustainability Conclusion

Based on our audit findings, we conclude that forest management objectives have been substantially achieved and that the Kenora Forest is being managed sustainably as assessed through the IFAPP.

3.8. Contractual Obligations

3.8.1. Sustainable Forest Licence

The SFL licence was amended on June 14, 2006 to reflect Ontario Living Legacy (OLL) withdrawals. Table 7 provides a brief synopsis of the obligations contained in the licence and our assessment of how the Company carried out its obligations during the audit term.

TABLE 7. CONTRACTUAL OBLIGATIONS AND ASSESSMENT OF PERFORMANCE SFL # 550400

Contractual Obligation	Obligation Attainment
The company must comply with the wood supply commitments specified in the SFL licence documents.	Wood allocation commitments were made available; however, the general economic downturn resulted in underutilization of the commitments. Section 3.4.3 of this report discusses wood harvesting issues over the audit period.

	Appendix E lists wood commitments to Devlin Timber, Kenora Forest Products and E & G Custom Sawing in Kenora and the Abitibi-Bowater mills in Kenora and Fort Frances. SFL Appendix E was amended in 2006 to remove the commitment to E&G Custom Sawing (now in Appendix F Special Conditions). The Devlin mill has closed & a surrender agreement for the wood supply has been signed by Devlin. The licence also contains special provisions in Appendix F that provide opportunities to the Wabaseemoong Independent First Nation, Wilson's Rock Lake Camp and Dave Burt General Contractors Ltd.
The SFL holder and all licensees must pay all Forestry Futures and Ontario Crown Charges.	All payments were up-to-date at the time of the audit.
Prepare FMP, AWS, and other reports in accordance with the CFSA and the FMP and abide by those reports and other requirements described in the FMFM and CSFA.	With a few exceptions discussed in this report (Section 3.6.5) the audit determined that reports were prepared in accordance with the FMPM.
Conduct inventories and surveys that are the responsibility of the SFL and carry them out in accordance with the FIM.	The Company completed all required inventories and surveys in accordance with the FIM, with the exception of the assessment of natural regeneration in 2006. Some FTG survey work on Class X, Y, Z lands needs to be completed.
The SFL company shall not commit wasteful practices as described in the Forest Operations and Silviculture Manual or the Scaling manual.	There were few wasteful practice compliance issues during the audit term, and none were observed during the field audit. OMNR staff indicated that this was not an issue on the forest.
SFL conditions related to natural disturbance and salvage must be followed.	Salvage associated with blow down occurred during the audit term. All SFL conditions were followed.
The SFL company will participate in pest control programs in accordance with SFL conditions.	A pest control program (i.e. jack pine budworm spray on the Aulneau Peninsula) was carried out. The Company and OMNR participated in accordance with all SFL requirements.
Where land is withdrawn from the licence area the conditions in the SFL related to	The SFL was amended (June, 2006) to accommodate OLL withdrawals and all conditions

withdrawals shall be followed.	were met.
Prepare an Audit Action Plan responding to audit recommendations within 2 months of receiving the final audit report. Implement the Action Plan. Prepare a Status Report within 2 years of approval of the Action Plan. Note: The Action Plan and Status Report are jointly prepared by the OMNR and SFL holder.	The Audit Action Plan for the 2004 IFA was submitted approximately 16 months late. This was partially the result of a delay in the IFA process.[24] We determined that the Recommendations contained in the IFA were considered and addressed in the development of the 2006 FMP. The Status Report was submitted within the required timeline.
The SFL company shall pay all renewal charges to the Forest Renewal Trust and comply with all terms of the Forest Renewal Trust Agreement.	The SFL holder made the required payments. As of July 21, 2008, 2 licensees were in arrears.
Maintain records and maps of eligible silviculture work implemented through payment from the Forest Renewal Trust account.	An 18% percent sample of Renewal Trust Account projects (documented in the Specified Procedures Report) determined that maps were accurate and work was completed as invoiced.
Forest renewal charges will be analyzed and determined in accordance with SFL conditions. The analysis will be undertaken in conjunction with the term of the FMP.	We determined this was completed. The company provides an analysis in the Annual Reports.
The minimum balance must be maintained in the Forest Renewal Trust Account each March 31.	The minimum balance was maintained for each year in the audit period. A minimum balance of $ 444,200 is required. During the audit term the following balances were maintained at March 31. 2003 - $ 1,431,272 2004 - $ 1,473,186 2005 - $ 1,199,855 2006 - $ 1,260,615 2007 - $ 1,473,186 2008 - $ 1,096,427.
Silvicultural standards and assessment	Weyerhaeuser conducts field surveys (aerial and

[24] Through no fault of the OMNR or Weyerhaeuser, the audit initiated in 2003 was not completed and a new audit had to be undertaken in 2004 with a new audit firm.

program. The SFL company is to assess and report on the achievement of regeneration efforts on Class X,Y,Z lands to ensure obligations and standards are met.	ground) to monitor and track the effectiveness of its silvicultural program. These activities include the assessment of regeneration success, vegetative competition, free-to-grow status, etc. The audit found that: • Weyerhaeuser needs to formalize and improve its field monitoring program to enable an earlier assessment of competition and treatment requirements on mixedwood sites with conifer renewal. • Treatment effectiveness monitoring needs to be timelier than currently undertaken on competitive ecosites. • The current tending program needs to be expanded to include other treatment options (e.g. aerial and mechanical treatments). Recommendations are provided to address these concerns. Most X, Y, Z lands have been surveyed (88%) and determined to be free-to-grow. However, 1,046 ha still require assessment. We provide a recommendation to address this issue.
The SFL company shall work co-operatively with local aboriginal communities to identify and implement ways of achieving more equal participation in the benefits provided through forest management planning.	There are 12 First Nation communities located within the Forest. Section 3.2.5 describes their participation in forest planning and provides an overview of Condition 34 reporting. We determined the Company made serious and repeated efforts to engage and increase aboriginal participation in forest management. Success was variable ranging from the successful Wabaseemoong First Nation harvesting operations to little or no response from other FNs. Our assessment is that the Company has met the obligation.
The SFL company shall prepare a forest compliance plan in accordance with all standards established by OMNR.	A 5 year plan was contained in the FMP, and Annual Plans were contained in the AWSs. All were prepared in accordance with required standards.
The SFL company shall establish and deliver an internal compliance prevention/education program and provide for individual staff training to competency standards approved by the OMNR.	Our examination of company documents and interviews with staff indicated that an internal compliance educational program was in place and ongoing. Formal annual meetings were held with OMNR compliance staff.

The SFL company must conduct inspections of forest operations and deliver reports to OMNR in accordance with the company's approved compliance plan.	The Company had 3 certified inspectors on the Forest during the audit period. Inspection of FOIRs indicated there was an active program suitable to the scale of operations on the Forest.
Where the SFL company undertakes activities on mining leases or claims, it assumes responsibility for all forestry activities in those areas. The OMNR will advise recorded and patented claim holders of the company's intent. The company will be available to discuss concerns or conflicts.	We interviewed Company and OMNR staff and a representative of the mining industry. We determined a formal process is in place to share information and discuss/resolve conflicts.

An Action Plan responding to audit recommendations is to be completed within 2 months of the receipt of the final Audit report. Following approval of the Action Plan, a Status Report is to be prepared within 2 years documenting progress of the plans implementation.

The IFA report for the 1998 – 2003 period was completed in April 2005. The required Action Plan was submitted and approved in October, 2006, approximately 16 months late. Through no fault of the OMNR or Weyerhaeuser, the audit initiated in 2003 was not completed and a new audit had to be undertaken in 2004 with a new audit firm. As a result, the development of the Action Plan was delayed. We determined that the recommendations from the IFA were fully considered during plan development as evidenced by Supplementary Documentation E in the approved 2006 FMP. In this instance the late submission was the result of the delayed IFA report submission and we do not believe a Recommendation is required.

The Status Report was required by October, 2008. It was completed within the required timeframe and we were provided a copy in early November.

The 2004 IFA identified 21 Recommendations. Table 8 presents a summary of the previous Recommendations and their status as of September 2008.

TABLE 8. SUMMARY OF 2004 IFA RECOMMENDATIONS AND THE STATUS OF THE RECOMMENDATIONS AS OF SEPTEMBER 2008

Recommendation	Status
1. The OMNR must ensure LCC members understand their role and responsibilities as described in the FMPM and that their duties are clearly reflected in the Committees Terms of Reference.	LCC members were briefed on the audit results and associated Action Plan. The LCC Terms of Reference were reviewed and updated to conform to the 2004 FMPM requirements. There have been ongoing discussions with respect to LCC roles and expectations. LCC members now indicate they understand their role and responsibilities.
2. The OMNR must ensure the requirements of reporting on Condition 34 of the OMNR Class Environmental Assessment Approval for Forest Management on Crown Lands in Ontario are met.	District staff are receiving on-going direction/training with respect to the completion of Condition 34 reports. The reports were completed for this audit term.
3. The OMNR must make the process of updating values layers more responsive to the needs of the local forest management planners so that current digital values layers can be accessed for AOC planning in a timely manner.	Kenora District became a provincial test site for developing refinements in the provision and extraction of digital data in a timely manner. The results are being shared across all OMNR Districts.
4. The OMNR must conduct a moose aquatic feeding site survey in that portion of the Kenora Forest managed for moose and not previously surveyed for aquatic feeding sites and update/survey for nest sites in areas likely to be proposed for operations in the 2006 - 2011 FMP.	Areas identified for harvest within the 2006 FMP for moose aquatics and stick nests were surveyed during the summers of 2004 - 2005.
5. The Ontario Ministry of Natural Resources and Weyerhaeuser must ensure where alternative prescriptions are considered for the protection of a value in the Area of Concern planning process, these prescriptions, their advantages and disadvantages, be recorded in the Supplementary Documentation section of the 2006-2011 Forest Management Plan.	Documentation of a range of alternative prescriptions and any related RSA documentation was completed and included in 2006 - 2011 FMP.

6. The Ontario Ministry of Natural Resources and Weyerhaeuser must ensure that monitoring programs, where they have not been established for exception prescriptions which involve harvesting, renewal, or maintenance forest management activities, be initiated and results reported in future Annual Reports.	In 2004 Weyerhaeuser did monitoring for nest exceptions in the 2001 FMP and reported the results in the Annual Reports. Where AOC prescriptions are proposed in the 2006 FMP that are exceptions to Forest Management Guides, documentation requirements are being followed. Required monitoring programs are being carried out and results reported in the Annual Reports. Reporting in the ARs was not completed for SGR exceptions monitoring (Section 3.6.5).
7. The Ontario Ministry of Natural Resources must ensure that the approved amendments to the Forest Management Plan are distributed to all required locations within the timelines specified in the Forest Management Planning Manual.	Amendments are being forwarded to required offices in accordance with the requirements of the 2004 FMPM.
8. Weyerhaeuser must improve its communication of silviculture strategies and Forest Operation Prescriptions in the 2006-2011 Forest Management Plan, Annual Work Schedules, and Annual Reports.	Silviculture strategies/ SGRs are being prepared in accordance with FMPM requirements, including preferred treatments reflecting what is actually expected to occur. The FMPM process is being followed for any necessary changes to FOPs. Annual Reports and AWS's are being completed as per requirements with the exception of requirements for silvicultural exceptions monitoring and the reporting of natural regeneration for some years during the audit period.
9. Weyerhaeuser and the Ontario Ministry of Natural Resources must ensure that the 2005 and 2006 Annual Compliance Plans and Plans of Action focus inspections on water crossings and training/workshops on water crossing installations	The Annual Compliance Plans are being prepared in accordance with the Guideline for Forest Industry Compliance Planning, 2005. The Plan includes water crossings as an annual compliance priority. The monitoring, inspection and reporting schedule identifies water crossings. OMNR receives an inspection schedule during implementation of the AWS.

	The OMNR District Compliance Plans include water crossings as a priority. The compliance plans include training requirements. We note the lack of access inspections for the 2006-2007 and 2007-2008 periods and provide a Recommendation. A flow chart has been developed to assist in developing a prescription for unmapped creeks. The company is ensuring the 2004 FMPM Water Crossing Protocol is followed for unidentified streams or where the actual location is different from mapped location. The Company and OMNR continue to work together to identify best practices during the construction and abandonment of water crossings. Consensus has been achieved with respect to responsibilities associated with abandoned culvert removal and associated issues. Water crossings inspected during the audit field inspections met all standards.
10. The Ontario Ministry of Natural Resources must apply remedy and enforcement action appropriate to the circumstances encountered.	OMNR continues to monitor inspection results and apply remedies as appropriate to encourage improved future compliance.
11. Weyerhaeuser and the Ontario Ministry of Natural Resources must ensure standards are enforced through compliance inspections and the required follow-up and corrective action is taken.	For the 2005-06 period all previous allocated harvest blocks were completed and all harvested wood removed. OMNR completed all required inspections. Operators are limited to the number of blocks that are active at any one time. Licensed blocks are proportional to the operator's allocation and past performance. Operators are instructed that blocks will be completed progressively as they work through their annual allocation. They are expected to return to summer and winter blocks as appropriate to complete operations.

	The company and OMNR continue to document, track and take corrective action for any wood left in blocks.
12. Weyerhaeuser must redistribute slash, or process at the stump on shallow sites consistent with the Silviculture Ground Rules. Weyerhaeuser must critically review these practices in developing the Silviculture Ground Rules in the 2006 - 2011 Forest Management Plan.	The 2006 FMP includes full tree logging on shallow sites as an exception to the Silviculture Guide to Managing for Black Spruce, Jack Pine and Aspen on Boreal Forest Ecosites in Ontario. The company is participating in the monitoring program that is being field tested by OMNR across the Northwest Region. Best Management Practices for logging on shallow sites are being implemented since the approval of the 2006 FMP. No changes to the company standard operating procedures have been made as the preliminary report on the first fifth year re-measurement of the monitoring program will not be available until March 2009.
13. Weyerhaeuser must ensure the rules, regulations, and guidance governing aggregate pit and road construction techniques as outlined in the Aggregate Resources Act and the Environmental Guidelines for Access Roads and Water Crossings are effectively employed on the Forest.	The company is following all requirements for construction and abandonment of water crossings. The company and OMNR are working together to identify best practices for construction and abandonment operations. Weyerhaeuser and OMNR compliance inspectors have stressed pits as a compliance focus area. Annual contractor training includes information on pit construction. Inspections and reports are completed annually as required by the Aggregate Resources Act. The field audit confirmed this recommendation has been addressed.
14. The Ontario Ministry of Natural Resources must take steps to ensure that the Compliance Activities and Violation Reporting System are kept up-to-date.	Since the implementation of the FOIP program in 2004, CAVRS is not used to document non-compliances. The FOIP reporting system is current and functioning well (see Section 3.6).

15. Weyerhaeuser must ensure Annual Reports are submitted as per the requirements outlined in the Forest Management Planning Manual.	Initial issues associated with the quality of the text and accuracy of tables in the ARs are being addressed and the quality of the reports improved over the audit term. Recent ARs generally met requirements with the exception of SGR exceptions monitoring (logging on shallow sites) and reporting on natural regeneration (2006). A recommendation is provided to address this concern. ARs would benefit from more explanation and analysis.
16. Weyerhaeuser must ensure measurable targets are provided for the management objective of the red and white pine forest units in the 2006-2011 Forest Management Plan.	The 2006 FMP includes targets for the management of red and white pine forest units.
17. Weyerhaeuser and the Ontario Ministry of Natural Resources must review the method for reporting renewal data in the Annual Reports and ensure the Annual Report tables are completed accurately.	Reporting was completed for the 2004. The 2006/07 AR also did not include any reporting of natural regeneration. A recommendation is provided to address this concern.
18. The Ontario Ministry of Natural Resources and Weyerhaeuser must review the renewal status of lands harvested from 1998-2002 and agree upon any required renewal treatment or tending program in the 2006- 2007 Annual Work Schedules.	Most of the areas harvested in 98/99 were assessed for FTG status in August 2008. The few remaining blocks are scheduled for assessment in the fall (2008). No NSR areas were identified. All the areas harvested in 2000 & 2001 have been assessed for regeneration but not free-to-grow status. All the blocks identified in the past audit were scheduled for natural regeneration which does not receive tending treatments unless white pine is being renewed. None of the blocks were scheduled for white pine renewal. As these blocks were natural regeneration tending treatments were not scheduled in the AWS. Our investigations revealed that these areas were "missed" in the reporting process as only seeding and planting

	records were entered into the GIS. As surveys have occurred and are scheduled to occur we do not provide a recommendation.
19. Weyerhaeuser must put into place long-term Memoranda of Agreements as stipulated in Appendices E and F of the Sustainable Forest Licence agreement no later than March 31, 2006.	The Company has initiated a number of actions to comply with the recommendation. Draft MOAs were prepared and sent to all parties in 2006. A long term agreement has been reached with Wabaseemoong First Nation. A MOA was signed with Wilsons Rock Lake Camp Ltd. The SFL Appendix E was amended in 2006 to remove the commitment to Columbia Forest Products Inc. Devlin has signed a surrender agreement for the wood supply commitment with the closure of its mill so a Memorandum of Agreement (MOA) is no longer required. The signing of MOAs is no longer a priority as discussions are underway to move the Kenora Forest towards a co-operative SFL. It is expected that the new SFL will address all the Appendix E and F commitments.
20. The Ontario Minister of Natural Resources must appoint a mediator under the Crown Forest Sustainability Act, Section 38(2) to ensure that the issue between Weyerhaeuser and the Overlapping Licensees is resolved no later than September 30, 2005.	A dispute resolution process was initiated and terms of reference developed. Issues discussed included: Access to Conifer, Poplar Pricing, Additional Licensees (Non-KILA), and Management/Road Fees. An agreement was eventually achieved. The OMNR continues to implement the Procedure. Poplar pricing and road funding continues to be negotiated on an annual basis.
21. The audit team recommends the Ontario Minister of Natural Resources extend the term of the Weyerhaeuser Company Limited Sustainable Forest Licence for an additional five - year period.	The licence has not yet been extended. The licence extension is to be based on the findings of the 2004 and 2008 audits.

3.8.2. Concluding Recommendation

Recommendation # 9:

The audit team concludes that management of the Kenora Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Weyerhaeuser Company Ltd. (Trus Joist Operations). Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends the Minister extend the term of Sustainable Forest Licence # 550400 for a further five years.

4.0. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Eight recommendations are made to address the issues identified during this audit.

Commitment

Weyerhaeuser received CSA certification in 2005. Annual surveillance audits to maintain the certification were undertaken in 2006, 2007 and re-registration was achieved in 2008. IFAPP requirements with respect to the development of corporate directions and commitments to forest and ecosystem sustainability, communications and training have been met.

OMNR also met all IFAPP requirements with respect to corporate directions and training related to forest sustainability.

Weyerhaeuser and OMNR District staff had a good understanding of their respective corporate directions and demonstrated that in carrying out their duties.

Public Consultation and Aboriginal Involvement

Public participation in the 2006 FMP planning process met the requirements of the FMPM.

All requirements with respect to First Nation consultations and efforts to involve them in forest management were met. Initial involvement of Aboriginal individuals on the planning team declined over the planning period and most members withdrew from the process. Section 3.2.5 provides some possible reasons for the poor FN response and problems with participation.

The OMNR and Weyerhaeuser made ongoing and determined efforts to involve FNs in forest planning and forest business activities. This involved the provision of funding, training, wood allocations and awarding of business contracts. There is a growing trend of increased Aboriginal involvement in the business aspects of forest operations.

The LCC was properly established and was involved in the preparation of the FMP. OMNR and Weyerhaeuser were supportive of the LCC and its role. LCC members felt their input to forest planning and operations was appreciated and had productive results.

Forest Management Planning

The 2006 FMP planning process was in accordance with FMPM requirements. The management plan was well written and met FMPM requirements. Operational planning met FMPM requirements.

Plan Assessment and Implementation

The continued inability to achieve planned harvest levels is the single largest contributing factor to the non-achievement of the strategic direction on the Forest. The lower than planned harvest levels have resulted in the under achievement of planned renewal and tending targets and other related forest management activities. Additionally, there have been long-standing issues related to full access to all the Working Circles on the Forest. Working Circle 3 has historically accounted for the majority of the timber harvested and a more equitable distribution of the cut is required across all the Working Circles.

The implementation of the Forest Management Plan during the audit period was in compliance with FMPM requirements. In our opinion the forest is well managed because:

- The area renewed is generally in balance with the area harvested.
- AOC's were properly planned, implemented, and monitored.
- Wood utilization on inspected harvest areas was good.
- There was a good compliance record on the Forest.
- All water crossings we examined met standards and requirements in effect at the time.
- Harvest and renewal efforts were approved in the AWS and SGRs were appropriate and properly implemented.
- Regeneration surveys indicate that the forest is regenerating well.
- The renewal support program is sufficient to meet silviculture requirements.

However, there were some concerns:

- Weyerhaeuser needs to ensure that site competition is assessed in an appropriate timeframe, and that timely follow-up treatments (as required) are implemented to ensure that the initial silviculture investment is not lost. This is particularly relevant to the conifer mixed wood forest unit. More proactive management is required to address anticipated wood supply requirements and address the existing age class area imbalance.
- While not a widespread problem some areas where slash piles have been burned had not been treated for renewal.

System Support

OMNR and Weyerhaeuser staff are knowledgeable, and demonstrated a commitment to forest sustainability. Both organizations had effective training programs, and information management and record control systems.

Monitoring

Weyerhaeuser produced the required Five Year Compliance Strategy. The OMNR had produced comprehensive Annual Compliance Operation Plans with the exception of 2007-2008. This was an oversight that was corrected by the District Manager (Section 3.6.1).

Generally, the level of compliance inspection activity was appropriate and there was a good compliance record on the Forest. We were concerned about the small number of OMNR inspections in the past two years, and provide a recommendation to address this concern.

Weyerhaeuser must ensure that Annual Reporting requirements related to the monitoring of silvicultural exceptions, the assessment of the effectiveness of renewal and tending programs and reporting requirements related to IFAs are fully met.

A requirement also exists to complete free-to-grow surveys of X, Y, Z lands.

Achievement of the Management Objectives and Forest Sustainability

Based on our audit findings we conclude that the Kenora Forest is being managed sustainably.

The underachievement of planned harvest levels for prolonged periods represents a loss of economic opportunity and the inability to access and harvest all Working Circles may have implications for long term forest sustainability.

Contractual Obligations

Contractual obligations were largely met.

Table 9 provides a summary of the recommendations made to Weyerhaeuser, and the Kenora District OMNR in this audit report. Table 10 summarizes recommendations directed to corporate OMNR.

TABLE 9. SUMMARY OF THE AUDIT RECOMMENDATIONS TO WEYERHAEUSER AND/OR OMNR KENORA DISTRICT

Principle 1: Commitment
No recommendation.
Principle 2: Public Participation
No recommendation.
Principle 3: Forest Management Planning
No recommendation.
Principle 4: Plan Implementation
Recommendation # 2: During the development of the next Forest Management Plan, Weyerhaeuser and the Kenora OMNR need to make a decision with respect to the suitability of the on-going inclusion of the Aulneau Peninsula and WC 4 in wood supply calculations. **Recommendation # 3:** Weyerhaeuser should formalize and improve its field monitoring program in areas treated for conifer renewal to enable a more timely assessment of site competition and tending requirements.

Recommendation # 4:

Weyerhaeuser should expand its vegetative competition control program to include other treatment options in addition to manual ground chemical tending.

Principle 5: System Support

Recommendation # 5:

The OMNR District Manager should ensure the Kenora Forest biologist position is filled on a long term basis.

Principle 6: Monitoring

Recommendation # 6:

The OMNR District Manager should review the number of compliance inspections taking place on the Kenora Forest and make an assessment of their adequacy.

Recommendation # 7

Within the next 12 months, Weyerhaeuser should complete free-to-grow surveys on Class X, Y, Z lands.

Recommendation # 8:

Weyerhaeuser must ensure that all FMPM reporting requirements for Annual Reports are met.

Principle 7: Achievement of Management Objectives and Forest Sustainability

No recommendation.

Principle 8: Contractual Obligations

No recommendation.

Summary of Conclusions and Recommendations
Recommendation # 9: The audit team concludes that management of the Kenora Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Weyerhaeuser Company Ltd. (Trus Joist Operations). Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends the Minister extend the term of Sustainable Forest Licence # 550400 for a further five years.

TABLE 10. SUMMARY OF RECOMMENDATIONS TO CORPORATE OMNR

Principle 1: Commitment
No recommendation.
Principle 2: Public Participation
Recommendation # 1: Within the next 12 months Corporate OMNR should formally meet with Aboriginal leaders in Northwestern Region to discuss; • The scope of Ontario's forest management planning program and what it can and cannot be expected to accomplish. • The scope of responsibilities of SFL holders and the local OMNR in the development of forest management plans. • The reasons for the limited participation of Aboriginal communities in the formal forest management planning program. • Potential opportunities to resolve some of the identified issues.
Principle 3: Forest Management Planning
No recommendation

Principle 4: Plan Implementation
No recommendation
Principle 5: System Support
No recommendation
Principle 6: Monitoring
No recommendation
Principle 7: Achievement of Management Objectives and Forest Sustainability
No recommendation.
Principle 8: Contractual Obligations
No recommendation.
Summary of Conclusions and Recommendations
No recommendation.

Appendix A

Comparison and Trend Analysis of Planned vs. Actual Forest Operations Report

The Comparison and Trend Analysis of Planned vs. Actual Forest Operations is prepared by the Forest Manager (Weyerhaeuser) responsible for forest management on the Kenora Forest. We included in this report without modification or adjustment.

Appendix A

Comparison and Trend Analysis of Planned vs. Actual Forest Operations Report

Prepared for the 2008 Independent Forest Audit

Kenora Forest
SFL #550400

Prepared by: _____

Matt Wilkie, R.P.F.

Date: July 7, 2008

Table of Contents

Introduction 2
Table 1 - Summary of Total Area Under Management 3
Table 2 – Description of Forest Units 6
Table 3 - Summary of Planned & Actual Harvest Volumes 10
Table 4 - Summary of Planned & Actual Depletion Area 12
Table 5 – Summary of Managed Productive Forest by Forest Unit 14
Table 6 – Summary Report of Renewal, Tending and Protection Operations 28
Table 7 – Harvested Area Successfully Regenerated – Summary of all forest units 30
Summary 32

Introduction

The following report was prepared by Matt Wilkie, R.P.F., Forest Information Leader, of Weyerhaeuser Company Ltd. Much of the text and table data was taken directly from the 2003 Trends Analysis prepared by the by the Kenora West Area Forester for Kenora District OMNR, since the 2003 report covered the same past plan terms. This report examines forest management activities undertaken on the Kenora Forest during the following plan terms; 1991-1996, 1996-2001, 2001-2006 and 2006-2011. The Kenora Forest was formerly known as the Kenora Management Unit (KMU), and was managed by the Crown until 2002. At that point, Weyerhaeuser was granted the sustainable forest license (Kenora Forest SFL #550400) and has continued to manage the Kenora Forest from that date forward. OMNR prepared the first three plans summarized in this report, and the annual reports until 1995/1996. From 1996/1997 to 1999/2000 Tolko Industries and OMNR both worked on preparing the annual reports, as Tolko at the time had been transitioning to managing a new SFL on the Kenora Forest. Weyerhaeuser began completing the annual reports starting with the 2001/2002 report. Weyerhaeuser also wrote the current 2006-2011 FMP.

Table 1 - Summary of Total Area Under Management

This table shows total area under management for different land types and the changes in these areas through three full planning terms and one partial term. In general, the main reason for the reduction in landbase from the 1996-2001 term to the 2001-2006 term is the addition of conservation reserves throughout the management unit under Ontario's Living Legacy (OLL). The change from the 2001-2006 term to the 2006-2011 term was caused by several factors. During the preparation of the 2001 FMP, the area of each individual stand was truncated, not rounded, to the hectare before summarizing the area for table FMP-1 and SFMM, i.e. a 23.9 ha stand was summarized as 23 ha. This resulted in about 34,000 ha difference in area between FMP-1 and the total area of the management unit due to the fact that every polygon in the forest resource inventory lost 0.5 ha on average. The Kenora Forest northern boundary changed in 2002, resulting in a smaller management unit area, however almost all of the dropped area was OLL conservation reserve (unmanaged). Only about 650 ha of the dropped area was crown managed. Another change that occurred between 2001 and 2006 was re-classification of some mining lease lands from patent to crown managed, which resulted in a decrease in patent land area and increase in crown managed area of about 1,000 ha.

Table 1 shows 105,748 hectares in the barren and scattered category in the 1991-1996 term. The 1998 independent forest audit trends analysis explains factors as follows that led to this larger area of barren and scattered. The Minaki and Aulneau management units it mentions were amalgamated in 1991 to form the present Kenora forest management unit.

"The majority of these barren and scattered areas resulted from large wildfire depletions that occurred in 1980 and 1983 on the Minaki and Aulneau units. The fire depletions on the Minaki Unit alone in 1983 totaled 45,585 hectares of production forest. The fire depletions on the Aulneau Unit alone in 1980 totaled 13,797 hectares of production forest. Other significant wildfire depletions occurred on both units in 1974 and 1976 which also contributed to the large barren and scattered age class category. ..... In 1988, two more large fires occurred totaling 17,326 hectares."

Table 1 shows a trend of a further increase to 118,027 hectares barren and scattered in the 1996-2001 term from the 105,748 hectares of the previous term. As explained in the previous trends analysis, this was mainly due to a major blowdown event in 1991 of 9,079 hectares of production forest and another wildfire depletion in 1995 totaling 1,021 hectares. The 1998 trends analysis further states that with the re-inventory work done for the 2001 FMP, many of these fire origin barren and scattered stands are now free-to-grow (FTG) and are retyped into the FTG to 20 year age classes in their respective working groups. This is a main reason for the reduction in barren and scattered area from the 1996 to the 2001 term. For the 2006 FMP, all barren and scattered stands were

classified into either true B&S or recently depleted (harvest and natural) and not yet FTG. The B&S in Table 1 for the 2006 FMP represents stands that are generally borderline unproductive (too wet or very shallow soils), have not been harvested or naturally disturbed in the last 20 years, and are not expected to become FTG without significant intervention.

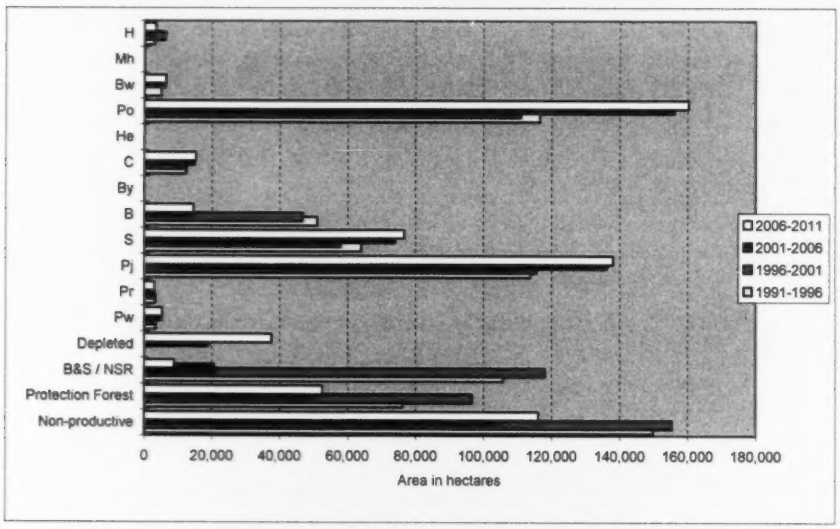
Looking at the main working groups for the forest, poplar and jack pine are the largest working groups by area. They have therefore shown the largest increases for the 2001 FMP term with barren and scattered area returning to these working groups. The reason for the change in barren and scattered area was explained previously. The reason for the trend of the large drop in the balsam fir working group is mortality from large spruce budworm infestation in the past. The 2001 FMP re-inventory based on updated aerial photos was able to reflect these large amounts of balsam fir mortality. The slight increases from 2001 to 2006 reflect the issue discussed earlier regarding truncating stand areas in 2001.

The 1998 independent forest audit trends analysis states that protection forest increased in the 1991-1996 plan term as a result of a management decision made by the area forester to retype all the production forest on the islands of Lake of the Woods into the Protection Forest Island category, thereby removing it from the Allowable Cut landbase. It also states this was due to the numerous areas of concern involved making timber harvesting operations on the islands impractical. Many of these islands as well as the eastern half of the Western Peninsula became conservation reserves as a result of Ontario's Living Legacy (1999). In the 2001 FMP numbers, these conservation reserves were therefore removed from the managed Crown managed landbase, a main reason for the reduction in protection forest from the 1996 FMP term to the 2001 FMP term. The previous audit trends analysis also discusses that in the 1996-2001 plan term another 18,368 hectares of Production Forest was retyped to Protection Forest Site Class 4, which also increased the Protection Forest Total. The reason given was this action was taken by the area forester to reflect his local knowledge of the stand conditions i.e. his opinion that the prevalence of bedrock terrain made timber harvesting and forest renewal impossible on these sites. Many of these stands were re-typed by the FRI interpreters in the 1997 inventory (used for the 2001 and 2006 FMPs) as site class 3 or better to reflect their height/age relationship, but were re-typed again by the OMNR area forester for the 2001 FMP inventory to show as Protection Forest or Bypass. This tag carried through to the 2006 FMP (FORMOD = PF and site class 1,2 or 3) and affects about 55,000 ha. This classification will be examined more closely before the next FMP.

2008 Independent Forest Audit
Table 1 - Summary of Total Area Under Management

Past and Current Plans - Crown Managed
MU: **Kenora Forest**

Land Type		Plan Term	Area in hectares			
			Past Plans			Current
			1991-1996	1996-2001	2001-2006	2006-2011
Non-Forested						
Other Land			390,724	423,206	419,050	404,556
Forested						
Non-productive			149,791	155,367	103,975	116,129
Productive						
Protection			76,067	96,565	49,900	52,536
Production Forest						
	B&S / NSR / Below Regen Standard		105,748	118,027	20,529	8,807
	Depleted / Recent Disturbance		-	-	18,890	37,547
	Forest Stands by Working Group					
	Pw		3,261	3,013	5,030	5,184
	Pr		3,251	3,010	2,419	2,979
	Pj		113,847	115,525	136,188	137,952
	S		63,982	57,888	73,919	76,682
	B		51,051	46,698	13,892	14,462
	By		-	-	-	-
	C		12,359	11,782	14,769	15,203
	He		-	-	-	-
	Po		116,486	110,951	156,057	160,273
	Bw		5,014	-	6,164	6,349
	Mh		-	-	-	-
	H		2,993	6,204	2,953	3,303
Total Production Forest			477,992	473,098	450,810	468,741
Total Forested Land			703,850	725,030	604,685	637,406



Source: FMPM Table FMP-1, FMP-2
TMPM Table 4.8.2

Table 2 – Description of Forest Units

The data sources for this table are the 2001 and 2006 FMP Table 8, the 1991 and 1996 TMP Table 4.11.

This table shows the trend that while forest units remained fairly similar between the 1991 and 1996 FMPs, a significant change occurred with the 2001 FMP. The regionally standardized forest units were introduced for the 2001 FMP. The number of forest units went from 9 in 1991 to 7 in 1996 and then almost doubled to 13 for 2001 with the introduction of the regional standardized forest units. While the 1991 and 1996 FMPs had forest units based primarily on working groups, the regionally standardized forest units of 2001 were aimed at achieving some standardization in the forest units used across the northwest region. These new forest units have made it difficult to analyze long term trends. This is evidenced in table 4 (summary of planned and actual depletion area) where the results of the 1991 and 1996 FMPs can easily be compared side by side to each other but not with the very different forest units of the 2001 and 2006 FMP. For the 2006 FMP, the 2001 FMP forest units were further refined to reflect actual site conditions and silviculture prescriptions on the Kenora Forest. The most significant changes were: removing upland cedar from mixed conifer and combining it with balsam fir; splitting white and red pine mixes into shelterwood and clearcut forest units; combining the two jack pine forest units into one; and combining the two upland spruce forest units into one.

Table 2 - DESCRIPTION OF FOREST UNITS (FMP-8) 2006 FMP

Forest Unit		Forest	Main	Site	Silvicultural	FRI Parameters	Additional
Code	Name	Type	Working Group	Type(s)	System	& Criteria	Information
PWD	White Pine SW	PWR - Red Pine and White Pine	Pw	NW11, NW18, NW24, NW15	Shelterwood	Sort Order : 1 PW>=40	PW 58PO 9BW 8BF 8 PR 7SW 5CE 3PJ 1SB 1
PRW	Red/White ST	PWR - Red Pine and White Pine	Pr, Pw	NW11, NW18, NW15, NW24	Clearcut	Sort Order : 2 PW + PR >= 40	PR 35PW 19PO 12BW 9 BF 8SW 5PJ 4SB 4CE 4
UCB	Upland Ce/Bf	MCU - Conifer Upland	Bf, Ce	NW12, NW27, NW17, NW21, NW11, NW29, NW18, NW19, NW30, NW22, NW14N NW32, NW16, NW24, NW15, NW31	Clearcut	Sort Order : 3 (CE >= 20 And ECOSITE1 = 'NW17') or (BF >= 40 and PO+PB < 50) or (CE >= 40 And ECOSITE1 < 'NW30') or (CE+BF >= 50 and ECOSITE1 < 'NW30' and PO+PB < 50)	BF 41CE 17PO 14BW 9 SW 6SB 5PW 3PJ 2PR 1AB 1
OCL	Other Conifer	MCL - Conifer Lowland	Ce, La	NW37, NW36, NW35, NW40, NW38	Clearcut	Sort Order : 4 (((CE + LA >= 50 And PR + PW + PJ + SW + BF + PO + BW <= 20) or WG='CE' or WG='LA') and ECOSITE1 >= 'NW34'	CE 44LA 33SB 13AB 6 BF 2SW 1PO 1BW 1
SBL	Sb Lowland	MCL - Conifer Lowland	Sb	NW35, NW36, NW34, NW40	Clearcut	Sort Order : 5 (SB+CE+LA>=70 AND ECOSITE1 BETWEEN 'NW34' AND 'NW36') OR (WG='SB' AND ECOSITE1 BETWEEN 'NW34' AND 'NW40')	SB 91LA 6CE 1AB 1
SPU	Spruce Upland	MCU - Conifer Upland	Sb	NW12, NW20, NW21, NW22, NW26, NW31, NW27, NW11, NW25, NW14, NW13, NW32, NW18	Clearcut	Sort Order : 6 (SB+SW>=60 and PO+BW<=20) or SB+SW>=70	SB 71PJ 14SW 5BF 4PO
PJP	Jack Pine	PJK - Jack Pine	Pj	NW12, NW20, NW21, NW25, NW18, NW31, NW15	Clearcut	Sort Order : 7 PJ>=60	PJ 71SB 16PO 10BW 2BF 1
OHW	Other Hdwd Ab	TOL - Tolerant Hardwood	Ab	NW38, NW30, NW33, NW29, NW19, NW12, NW11, NW23, NW36, NW21, NW16	Shelterwood	Sort Order : 8 MH+LH+UH>=30	AB 57PO 15BF 5CE 5 SB 4MS 4SW 3EW 2OW 1 QR 1LA 1
HWD	Hardwood Dom	POP - Poplar	Po	NW19, NW12, NW29, NW30, NW11, NW23, NW16, NW33, NW28, NW18, NW24, NW15, NW38	Clearcut	Sort Order : 9 PO+PB+BW+MH+UH+LH>=60	PO 56BW 12BF 10SW 6 PJ 5SB 5AB 2PW 1CE 1
CMX	Mixed Conifer	MCU - Conifer Upland	Pj, Sb	NW12, NW21, NW11, NW20, NW18, NW26, NW25, NW14, NW27, NW22, NW32, NW15, NW24, NW13, NW31	Clearcut	Sort Order : 10 (SFT>=60 AND PJ >=20) OR SFT >= 70	PJ 33SB 24PO 20BF 8 BW 7SW 4PW 1PR 1CE 1

Source: FMPM Table FMP-8

Table 2 - DESCRIPTION OF FOREST UNITS (FMP-8) 2001 FMP

Forest Unit		Forest	Main Working	Site	Silvicultural	FRI Parameters	Additional
Code	Name	Type	Group	Type(s)	System	& Criteria	Information
PrwMx	White/Red Pine Mixed	conifer	White Pine (1)	1, 12, 15, 18, 19, 24, 2	Shelterwood	Pw+Pr >= 0.4	
PrDom	Red Pine Dominant	conifer	Red Pine (4)	11, 12, 15, 18, 24	Clearcut	Pr >= 0.6	
PjPUr	Pure Jack Pine	conifer	Jack Pine (7)	10, 11, 12, 13, 14, 18, 20, 21, 22, 23, 25, 26, 29, 30, 31, 35, 36, 37	Clearcut	Pj >= 0.7 and Po+Bw <= 0.2	
PjMix	Pj Conifer Mixed	conifer	Jack Pine (7)	11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27	Clearcut	Pr+Sb+Sw+Pj+ Bf >= 0.7 and Bf <=0.1 and Po+Bw <=0.2 and Sb+Sw<Pj	
SpUpl	Upland Spruce	conifer	Black Spruce (11)	3, 11, 12, 13, 14, 16, 18, 19, 20 21, 22, 23, 25, 26, 27, 29, 31, 32, 33 35, 37	Clearcut	Sb+Sw >= 0.7 and Po+Bw <= 0.2	
SpMix	Spruce Conifer Mixed	conifer	Black Spruce (11)	11, 12, 13, 14, 15, 19, 20, 21, 22, 24, 25, 26, 31, 32	Clearcut	Pr+Sb+Sw+Pj+Bf >= 0.7 and Bf <= 0.1 and Po+Bw <= 0.2 and Sb+Sw > Pj	
SbLow	Lowland Spruce	conifer	Black Spruce (11)	34, 35, 36, 37, 38, 40	Clearcut	Sb+Ce+La >= 0.7 and site type >= 34 and site type < 37 OR WG = Sb and site type > 34 and site type <= 40	
ConMx	Mixedwood	conifer	Jack Pine (7)	11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33 35, 36, 37, 38	Clearcut	Pw+Pr+Sb+Sw+Pj+Bf+ Ce+La >= 0.6 and Po+Bw+Mb+Uh+Lh <= 0.4	
BfDom	Balsam Fir Dominant	conifer	Balsam Fir (13)	11, 12, 14, 15, 17, 18, 19, 20, 21, 22, 24, 26, 27, 28, 29, 30, 31, 33, 35, 36, 38	Clearcut	Bf >= 0.4 and Bf+Sw+Sb+Pj >=0.5	
OCLow	OtherConifer Lowland	conifer	Cedar (17)	35, 36, 37, 38, 40	Clearcut	Ce+La >= 0.5 and Pr+Pw+Sw+Pj+Bf+Bw+Po <= 0.2 and site type >=34	Represents the lowland cedar and larch
HrdDm	Hardwood Dominant	tolerant hardwood	Poplar (33)	11, 12, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 33, 35, 36, 38	Clearcut	Po+Bw+Mh+Uh >= 0.7	Represents the intolerant hardwood forest types of poplar and white birch
HrdMx	Hardwood Mixed	tolerant hardwood	Poplar (33)	11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 35, 37, 38	Clearcut	Po+Bw+Mh+Lh+Uh >= 0.5 OR (WG = Bw or WG=Po or WG = Mh or WG = Lh or WG = Uh)	
OthHd	Other Hardwoods	intolerant hardwood	Ash (20)	11, 12, 17, 19, 21, 22, 23, 29, 30, 32, 33, 35, 37, 38	Selection	Mh+Lh+Uh >= 0.3	This forest unit represents mostly lowland ash stands but may also include the occurance of upland ash and maples

Source: FMPM FMP - 8

Table 2 - DESCRIPTION OF FOREST UNITS (FMP-8) 1996 FMP

Forest Unit Code	Forest Unit Name	Forest Type	Main Working Group	Site Type(s)	Silvicultural System	FRI Parameters & Criteria	Additional Information
	Pine	Conifer	Red Pine and White Pine	V12, V26, V13, V27	Shelterwood or Clearcut	WG = Pw or WG = Pr	
	Jack Pine	Conifer	Jack Pine	V 17, V28, V18, V29, V32, V30 or ES 20, ES14, ES13	Clearcut	WG = Pj	
	Spruce	Conifer	Black Spruce	V31, V33, V34 to V3(	Clearcut	WG = Sb	
	Balsam Fir	Conifer	Balsam Fir	V14, V15, V16, V24, V25 or ES 17, ES 27	Clearcut	WG = Bf	
	Other Conifer	Conifer	White Cedar	V 21, V22	Modified Clearcut	WG = Ce	
	Poplar	Hardwood	Poplar	V5 to V11 or ES 16, ES 19, ES 20, ES 23, ES 28, ES 29, ES 33	Clearcut	WG = Po	
	Other Hardwood	Hardwood	Black Ash	V2 or ES 38	Selection	WG = Ab	
			White Birch	V4	Clearcut	WG = Bw	

Source: TMPM table 4.11

Table 2 - DESCRIPTION OF FOREST UNITS (FMP-8) 1991 FMP

Forest Unit Code	Forest Unit Name	Forest Type	Main Working Group	Site Type(s)	Silvicultural System	FRI Parameters & Criteria	Additional Information
Pw	White Pine	Conifer	White Pine	V12, V26	Shelterwood	WG = Pw	
Pr	Red Pine	Conifer	Red Pine	V13, V27	Clearcut	WG = Pr	
Pj	Jack Pine	Conifer	Jack Pine	V18 to V32	Clearcut	WG = Pj	
Sb	Spruce	Conifer	Black Spruce	V19, V20, V22, V25, V30 to V34, V37	Clearcut	WG = Sb	
Bf	Balsam Fir	Conifer	Balsam Fir	V14, V15, V16, V21, V24, V25	Clearcut	WG = Bf	
OC	Other Conifer	Conifer	Cedar	V 21, V22, V23	Modified Clearcut	WG = Ce	
Po	Poplar	Hardwood	Poplar	V5 to V11	Clearcut	WG = Po	
Ab	Black Ash	Hardwood	Black Ash	V2	Selection	WG = Ab	
Bw	White Birch	Hardwood	White Birch	V4	Clearcut	WG = Bw	

Source: TMPM table 4.11

Table 3 - Summary of Planned & Actual Harvest Volumes

In table 3, the volumes are annualized for the indicated 5 year period. The current term 2006-2011 in the actual volumes section is based on one year's data as this was all that was available in this current FMP term. There was a large downward trend in planned volumes between 1991 and 2001, and a much smaller downward trend in actual harvest volumes until 2002. At that time, the Weyerhaeuser Trus Joist mill began operations and starting consuming hardwood from the Kenora Forest. The 1998 audit trend analysis report explains that forestry operations were planned for in all four working circle areas in the 1991-1996 term. Forestry operations were only planned for in working circles one, two and three in the 1996-2001 and 2001-2006 terms – excluding the Aulneau peninsula. However, with the completion of the Aulneau enhanced management area wildlife plan in 2003, this working circle was included in the planned harvest area in the 2006 FMP. The introduction of conservation reserves through Ontario's Living Legacy has also reduced the overall available landbase for harvest in the 2001 and 2006 FMPs.

The main reasons for the relatively low actual volume utilization from 1991 to 2002 are: no steady or large market for hardwood; no access to most of working circle one (east side); very expensive access to the other part of working circle one (west side); very limited harvest in working circle two until 2005 due to ongoing negotiations with First Nations; poor or expensive access to parts of working circle three (Western Peninsula, Big Island); no market for other conifer or other hardwood (birch and ash); numerous shutdowns at the Abitibi Consolidated paper mill in Kenora due to markets and labour issues.

Hardwood utilization increased with the startup of the Weyerhaeuser Trus Joist mill in fall 2002, with the mill reaching full production in fall 2005. An agreement was also reached in 2005 with the Wabaseemoong First Nation to begin harvesting in working circle two. However the Abitibi Pulp Mill in Kenora and the Devlin Timber sawmill closed permanently in 2005, after numerous slowdowns in the previous years. The closure of these two facilities resulted in a lack of demand for conifer from the Kenora Forest. The Kenora Forest Products sawmill also shut down in early 2008, but that impact is not reflected in this report.

2008 Independent Forest Audit

Table 3 - Summary of Planned & Actual Harvest Volumes

MU: Kenora Forest

Average Planned Annual Harvest Volumes

Volumes are Annualized for the indicated 5 year period

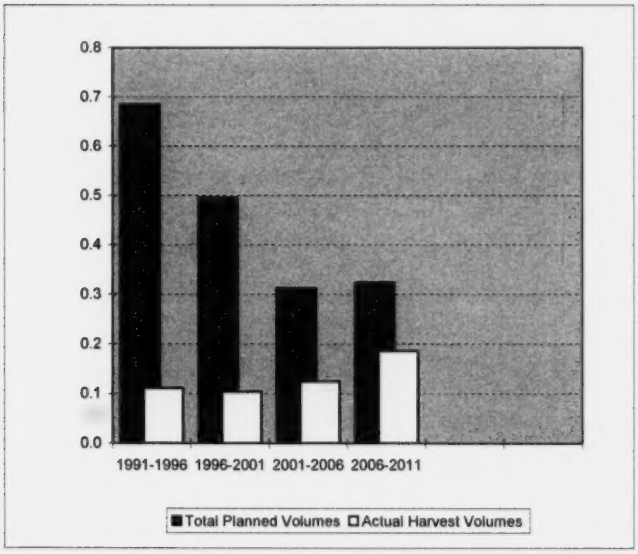
	Volume in '000's cubic metres			
	Past Plans			Current
Species	1991-1996	1996-2001	2001-2006	2006-2011
White Pine	12	7	9	1.7
Red Pine	15	12	10	6.0
Jack Pine	166	98	72	61.6
Spruce	155	91	67	64.5
Balsam Fir	54	49	11	13.6
Other Conifer	23	14	10	4.2
Poplar	218	194	111	152.3
White Birch	25	22	18	16.2
Other Hardwood	17	9	4	3.5
Total Planned Volumes	684.8	495.4	312.3	323.7

Actual Harvest Volumes

Volumes are Annualized for the indicated 5 year period

	Volume in '000's cubic metres			
	Past Plans			Current
Species	1991-1996	1996-2001	2001-2006	2006-2011
White Pine	2.2	3.8	1.6	1.5
Red Pine	4.2	7.4	4.1	4.5
Jack Pine	58.8	41.6	47.1	38.1
Spruce	32.3	26.8	24.0	24.7
Balsam Fir	3.2	0.9	0.7	2.7
Other Conifer	0.2	1.1	0.1	0.2
Poplar	9.4	21.6	45.7	113.8
White Birch	0.6	0.3	0.6	0.7
Other Hardwood	0.1	-	0.0	-
Total Actual Volumes	110.9	103.6	123.9	186.2

note: 2006-2011 actual harvest volume includes 2006/2007 year only



Source: planned: TMPM Table 4.18.1, 1996 FMPM Table FMP-21
actual TMPM Table 4.3.1, 1996 FMPM RPFO-4 and annual reports, 2004 FMPM AR-4

Table 4 - Summary of Planned & Actual Depletion Area

The data sources for this table are the 2001 and 2006 FMP Table 18, the 1996-2001 and 1991-1996 RPFO Table RPFO-1, the 2005/2006 Annual Report table AR-1 ("year ten" annual report), and the 2006/2007 Annual Report table AR-1.

Areas are annualized for the indicated 5 year period. The current term 2006-2011 in the actual harvest area section is based on one year's data as this was all that was available in this current FMP term. As can be seen with volumes, actual harvest area is well below the planned area from 1991 to 2002, and increasing slightly from that point forward. The reasons for this and actual areas harvested are the same as detailed above in the text for table 3.

The impact of the 1991 blowdown (also some wildfires) can be seen in the large 1991-1996 actual natural depletion area. The natural depletions for the 2001-2006 term reflect a significant fire in 2003 and well as scattered blowdown in 2002. As discussed in the text on table 2 (description of forest units), the change in forest units in the 2001 FMP makes it difficult to do a forest unit by forest unit comparison throughout the 4 FMP terms.

2008 Independent Forest Audit

Table 4 - Summary of Planned & Actual Depletion Area

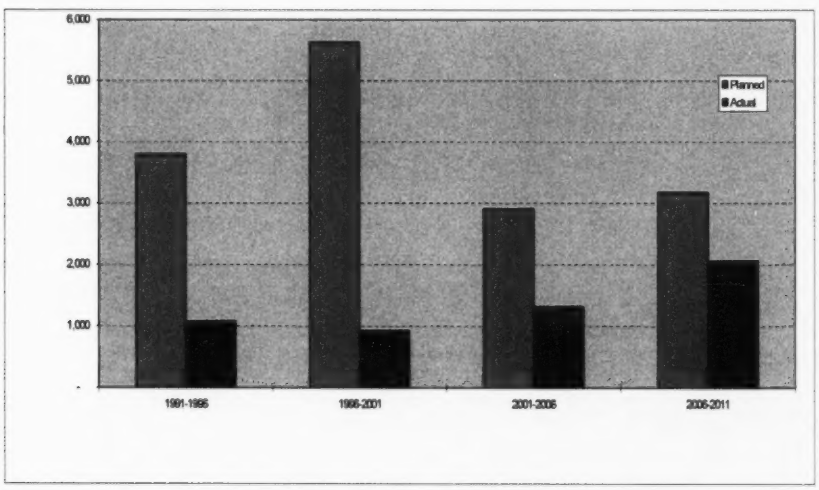
Past and Current Plans

MU: Kenora Forest

Area is Annualized for the indicated 5 year period

Planned Annual Harvest Area					Actual Depletion Area							
Area in hectares					*Area in hectares*							
	Past Plans			Current	Past Plans						Current	
Plan Term	1991-1996	1996-2001	2001-2006	2006-2011	1991-1996		1996-2001		2001-2006		2006-2011	
Forest Unit					Harvest	Natural	Harvest	Natural	Harvest	Natural	Harvest	Natural
Red and White Pine	97	131			51	12	62					
Jack Pine	484	1,395			491	715	355					
Spruce	781	666			91	569	125					
Balsam Fir	424	465			168	498	109					
Other Conifer	160	152			17	1	24					
Poplar	1,685	2,655			249	235	248					
White Birch	-	-			-	-	-					
Other Hardwood	166	181			6	1	0					
PrwMx / PRW			78	43					66			
- / PWD				19							7	
PrDom / -			16						13			
PjPur / PJP			203	366					154	8	153	
PjMx / -			299						219	68		
SbLow / SBL			43	18					9	10	3	
SpUpl / SPU			134	388					31	24	122	
SpMx / -			235						54	66		
BfDom / UCB			13	-					4		0	
ConMx / CMX			978	439					368	52	210	
OCLow / OCL			37	26					3		-	
HrdDm / HWD			231	1,163					92	25	1,266	
HrdMx / MWD			611	710					299	17	293	
OthHd / OHW			26	-					2		-	
Total Area:	3,797	5,633	2,902	3,172	1,071	2,020	922	-	1,315	270	2,052	-

Planned vs. Actual Harvest Area



Source: planned: TMPM Table 4.15, 1996 FMPM Table FMP-18
actual: TMPM Table 4.1, 1996 FMPM Table RPFO-2 and annual reports; 2004 FMPM AR-1 and AR-6

Table 5 – Summary of Managed Productive Forest by Forest Unit

This table summarizes the managed productive forest by forest unit and age class for the 1991, 1996, 2001 and 2006 plan terms. The data sources for this table are the 2001 and 2006 FMP Table 9, the 1996 TMP Tables 4.8.2, 4.9.1b, 4.9.2b, 4.9.3b, 4.9.4b and the 1991 TMP Tables 4.8.2 and 4.9.

A significant trend in the age class structure is shown through most forest units. Until the 2006 FMP there was a big gap in the 21-40 year old age class. This is due to under-harvest, or partial-harvest, and a lack of natural disturbance during that time period. Many of the mixed wood areas that were partially cut 20 to 40 years ago for conifer appear to have been re-typed in the current inventory as older stands. In 2006, there was a significant jump in this age class as the burns from the mid 1980's moved up. As time goes on, the reduced area in this age class will move to the 41-60 year old age class and on. It is expected that adjacent forests will be able to fill in the gap, as they do not have the same imbalance.

2008 Independent Forest Audit

MU: Kenora Forest

Table 5 - SUMMARY OF MANAGED PRODUCTIVE FOREST BY FOREST UNIT (1996 FMPM FMP-9) 2006 FMP

Forest Unit	Age Class	Protection Forest		Production Forest				
				Unavailable		Stage of Management	Available	
		(ha)	(m^3)	(ha)	(m^3)		(ha)	(m^3)
CMX	B&S	0	0	0	0	clearcut	12	0
	1-20	83	0	105	0	clearcut	6,864	0
	21-40	2,713	51,551	93	1,767	clearcut	21,506	408,618
	41-60	1,889	101,051	267	14,279	clearcut	12,367	661,618
	61-80	4,697	387,470	440	36,292	clearcut	37,678	3,108,427
	81-100	5,310	560,163	452	47,665	clearcut	25,083	2,646,257
	101-120	1,068	118,493	87	9,679	clearcut	5,290	587,190
	121-140	192	13,501	0	0	clearcut	2,129	150,123
	141+	43	1,541	0	0	clearcut	366	13,158
Forest Unit Subtotal		15,993	1,233,770	1,443	109,682		111,294	7,575,391
HWD	B&S	0	0	127	0	clearcut	1,944	0
	1-20	96	0	122	0	clearcut	10,944	0
	21-40	188	5,261	61	1,719	clearcut	14,366	402,248
	41-60	475	37,058	446	34,804	clearcut	18,635	1,453,530
	61-80	687	79,646	664	77,070	clearcut	43,966	5,100,102
	81-100	193	26,689	283	39,040	clearcut	15,428	2,129,105
	101-120	0	0	73	9,765	clearcut	581	78,145
	121-140	0	0	0	0	clearcut	0	0
	141+	0	0	0	0	clearcut	1	21
Forest Unit Subtotal		1,639	148,654	1,776	162,398		105,866	9,163,151
MWD	B&S	0	0	0	0	clearcut	0	0
	1-20	0	0	0	0	clearcut	3,230	0
	21-40	132	1,645	80	998	clearcut	9,225	115,315
	41-60	1,008	47,880	232	11,039	clearcut	12,501	593,798
	61-80	1,261	93,299	233	17,227	clearcut	31,622	2,340,028
	81-100	385	36,604	66	6,232	clearcut	9,320	885,438
	101-120	3	277	134	13,256	clearcut	459	45,421
	121-140	0	0	0	0	clearcut	0	0
	141+	0	0	0	0	clearcut	0	0
Forest Unit Subtotal		2,789	179,705	745	48,752		66,358	3,980,000
OCL	B&S	0	0	18	0	clearcut	988	0
	1-20	12	0	0	0	clearcut	398	0
	21-40	0	0	0	0	clearcut	72	36
	41-60	0	0	0	0	clearcut	231	1,615
	61-80	285	10,834	0	0	clearcut	1,989	75,578
	81-100	292	21,156	15	1,051	clearcut	3,168	229,658
	101-120	0	0	0	0	clearcut	853	78,059
	121-140	15	1,311	0	0	clearcut	621	54,674
	141+	62	4,340	0	0	clearcut	124	8,735
Forest Unit Subtotal		665	37,641	32	1,051		8,444	448,355
PJP	B&S	0	0	0	0	clearcut	889	0
	1-20	2,202	0	70	0	clearcut	14,349	0
	21-40	7,628	225,026	13	386	clearcut	28,886	852,125
	41-60	1,392	111,344	0	0	clearcut	8,406	672,456
	61-80	5,402	599,567	101	11,211	clearcut	21,359	2,370,794
	81-100	3,500	450,736	31	4,044	clearcut	8,494	1,094,040
	101-120	934	119,111	39	5,011	clearcut	1,710	218,000
	121-140	103	6,869	0	0	clearcut	1,106	73,522
	141+	0	0	0	0	clearcut	27	536
Forest Unit Subtotal		21,160	1,512,653	255	20,652		85,224	5,281,473

Table 5 - SUMMARY OF MANAGED PRODUCTIVE FOREST BY FOREST UNIT (1996 FMPM FMP-9) 2006 FMP

Forest Unit	Age Class	Protection Forest		Production Forest				
				Unavailable		Stage of	Available	
		(ha)	(m^3)	(ha)	(m^3)	Management	(ha)	(m^3)
PRW	B&S	0	0	1	0	clearcut	8	0
	1-20	0	0	0	0	clearcut	1,615	0
	21-40	0	0	0	0	clearcut	288	6,617
	41-60	0	0	0	0	clearcut	249	18,279
	61-80	115	13,374	1	58	clearcut	1,411	164,405
	81-100	126	18,193	14	2,081	clearcut	1,986	286,977
	101-120	74	11,501	0	0	clearcut	620	96,116
	121-140	25	3,400	0	0	clearcut	131	17,870
	141+	31	3,799	52	6,316	clearcut	63	7,648
Forest Unit Subtotal		371	50,267	67	8,455		6,371	597,912
SBL	B&S	0	0	15	0	clearcut	1,702	0
	1-20	190	0	0	0	clearcut	3,565	0
	21-40	22	0	0	0	clearcut	232	0
	41-60	17	0	4	0	clearcut	841	0
	61-80	322	1,451	14	65	clearcut	3,672	16,524
	81-100	1,828	62,142	12	415	clearcut	7,256	246,694
	101-120	536	32,976	0	0	clearcut	1,966	120,903
	121-140	280	20,580	2	169	clearcut	948	69,649
	141+	43	2,768	0	0	clearcut	624	40,320
Forest Unit Subtotal		3,238	119,917	48	649		20,803	494,090
SPU	B&S	0	0	21	0	clearcut	2,010	0
	1-20	1,024	0	149	0	clearcut	8,363	0
	21-40	624	10,606	0	0	clearcut	1,846	31,380
	41-60	224	13,116	42	2,469	clearcut	1,876	109,758
	61-80	1,140	110,541	96	9,283	clearcut	8,102	785,865
	81-100	1,761	214,830	72	8,735	clearcut	6,620	807,603
	101-120	237	31,613	0	0	clearcut	3,147	420,151
	121-140	86	9,729	0	0	clearcut	2,684	303,258
	141+	37	3,183	0	0	clearcut	601	52,021
Forest Unit Subtotal		5,133	393,618	380	20,487		35,248	2,510,036
UCB	B&S	0	0	69	0	clearcut	585	0
	1-20	16	0	70	0	clearcut	4,015	0
	21-40	118	2,233	30	572	clearcut	881	16,737
	41-60	332	19,896	425	25,506	clearcut	4,905	294,312
	61-80	607	57,921	144	13,781	clearcut	4,057	387,444
	81-100	156	18,131	69	7,946	clearcut	1,375	159,442
	101-120	0	0	105	12,314	clearcut	443	52,088
	121-140	8	543	23	1,636	clearcut	109	7,706
	141+	0	0	38	1,568	clearcut	15	626
Forest Unit Subtotal		1,236	98,724	973	63,323		16,386	918,355
OHW	B&S	0	0	14	0	Seed Cut	154	0
	1-20	0	0	0	0	Seed Cut	122	0
	1-20	0	0	0	0	Final Removal	0	
	21-40	0	0	0	0	Seed Cut	56	1,066
	21-40	0	0	0	0	Final Removal	0	
	41-60	0	0	0	0	Seed Cut	412	24,726
	41-60	0	0	0	0	Final Removal	0	
	61-80	2	162	19	1,834	Seed Cut	1,705	162,837
	61-80	0	0	0	0	Final Removal	0	
	81-100	29	3,318	42	4,895	Seed Cut	1,432	166,054
	81-100	0	0	0	0	Final Removal	0	
	101-120	27	3,114	0	0	Seed Cut	103	12,067
	101-120	0	0	0	0	Final Removal	0	
	121-140	0	0	0	0	Seed Cut	56	3,941
	121-140	0	0	0	0	Final Removal	0	
	141+	0	0	0	0	Seed Cut	11	469
	141+	0	0	0	0	Final Removal	0	
Forest Unit Subtotal		57	6,594	75	6,729		4,050	371,160

Table 5 - SUMMARY OF MANAGED PRODUCTIVE FOREST BY FOREST UNIT (1996 FMPM FMP-9) 2006 FMP

Forest Unit	Age Class	Protection Forest		Production Forest				
				Unavailable		Stage of	Available	
		(ha)	(m^3)	(ha)	(m^3)	Management	(ha)	(m^3)
PRW	B&S	0	0	1	0	clearcut	8	0
	1-20	0	0	0	0	clearcut	1,615	0
	21-40	0	0	0	0	clearcut	288	6,617
	41-60	0	0	0	0	clearcut	249	18,279
	61-80	115	13,374	1	58	clearcut	1,411	164,405
	81-100	126	18,193	14	2,081	clearcut	1,986	286,977
	101-120	74	11,501	0	0	clearcut	620	96,116
	121-140	25	3,400	0	0	clearcut	131	17,870
	141+	31	3,799	52	6,316	clearcut	63	7,648
Forest Unit Subtotal		371	50,267	67	8,455		6,371	597,912
SBL	B&S	0	0	15	0	clearcut	1,702	0
	1-20	190	0	0	0	clearcut	3,565	0
	21-40	22	0	0	0	clearcut	232	0
	41-60	17	0	4	0	clearcut	841	0
	61-80	322	1,451	14	65	clearcut	3,672	16,524
	81-100	1,828	62,142	12	415	clearcut	7,256	246,694
	101-120	536	32,976	0	0	clearcut	1,966	120,903
	121-140	280	20,580	2	169	clearcut	948	69,649
	141+	43	2,768	0	0	clearcut	624	40,320
Forest Unit Subtotal		3,238	119,917	48	649		20,803	494,090
SPU	B&S	0	0	21	0	clearcut	2,010	0
	1-20	1,024	0	149	0	clearcut	8,363	0
	21-40	624	10,606	0	0	clearcut	1,846	31,380
	41-60	224	13,116	42	2,469	clearcut	1,876	109,758
	61-80	1,140	110,541	96	9,283	clearcut	8,102	785,865
	81-100	1,761	214,830	72	8,735	clearcut	6,620	807,603
	101-120	237	31,613	0	0	clearcut	3,147	420,151
	121-140	86	9,729	0	0	clearcut	2,684	303,258
	141+	37	3,183	0	0	clearcut	601	52,021
Forest Unit Subtotal		5,133	393,618	380	20,487		35,248	2,510,036
UCB	B&S	0	0	69	0	clearcut	585	0
	1-20	16	0	70	0	clearcut	4,015	0
	21-40	118	2,233	30	572	clearcut	881	16,737
	41-60	332	19,896	425	25,506	clearcut	4,905	294,312
	61-80	607	57,921	144	13,781	clearcut	4,057	387,444
	81-100	156	18,131	69	7,946	clearcut	1,375	159,442
	101-120	0	0	105	12,314	clearcut	443	52,088
	121-140	8	543	23	1,636	clearcut	109	7,706
	141+	0	0	38	1,568	clearcut	15	626
Forest Unit Subtotal		1,236	98,724	973	63,323		16,386	918,355
OHW	B&S	0	0	14	0	Seed Cut	154	0
	1-20	0	0	0	0	Seed Cut	122	0
	1-20	0	0	0	0	Final Removal	0	
	21-40	0	0	0	0	Seed Cut	56	1,066
	21-40	0	0	0	0	Final Removal	0	
	41-60	0	0	0	0	Seed Cut	412	24,726
	41-60	0	0	0	0	Final Removal	0	
	61-80	2	162	19	1,834	Seed Cut	1,705	162,837
	61-80	0	0	0	0	Final Removal	0	
	81-100	29	3,318	42	4,895	Seed Cut	1,432	166,054
	81-100	0	0	0	0	Final Removal	0	
	101-120	27	3,114	0	0	Seed Cut	103	12,067
	101-120	0	0	0	0	Final Removal	0	
	121-140	0	0	0	0	Seed Cut	56	3,941
	121-140	0	0	0	0	Final Removal	0	
	141+	0	0	0	0	Seed Cut	11	469
	141+	0	0	0	0	Final Removal	0	
Forest Unit Subtotal		57	6,594	75	6,729		4,050	371,160

Table 5 - SUMMARY OF MANAGED PRODUCTIVE FOREST BY FOREST UNIT (1996 FMPM FMP-9) 2006 FMP

Forest Unit	Age Class	Protection Forest		Production Forest				
				Unavailable		Stage of	Available	
		(ha)	(m^3)	(ha)	(m^3)	Management	(ha)	(m^3)
PWD	B&S	0	0	34	0	Seed Cut	218	0
	1-20	0	0	0	0	Seed Cut	495	3,962
	1-20	0	0	0	0	First Removal	0	
	1-20	0	0	0	0	Final Removal	0	
	21-40	0	0	0	0	Seed Cut	28	1,217
	21-40	0	0	0	0	First Removal	0	
	21-40	0	0	0	0	Final Removal	0	
	41-60	0	0	0	0	Seed Cut	77	7,237
	41-60	0	0	0	0	First Removal	0	
	41-60	0	0	0	0	Final Removal	0	
	61-80	54	7,290	0	0	Seed Cut	432	57,901
	61-80	0	0	0	0	First Removal	0	
	61-80	0	0	0	0	Final Removal	0	
	81-100	118	18,200	0	0	Seed Cut	755	116,709
	81-100	0	0	0	0	First Removal	0	
	81-100	0	0	0	0	Final Removal	0	
	101-120	8	1,013	51	6,667	Seed Cut	330	43,408
	101-120	0	0	0	0	First Removal	0	
	101-120	0	0	0	0	Final Removal	0	
	121-140	69	8,095	39	4,565	Seed Cut	321	37,806
	121-140	0	0	0	0	First Removal	0	
	121-140	0	0	0	0	Final Removal	0	
	141+	7	859	3	353	Seed Cut	120	14,120
	141+	0	0	0	0	First Removal	0	
	141+	0	0	0	0	Final Removal	0	
Forest Unit Subtotal		256	35,457	127	11,585		2,778	282,360
Total		52,536	3,817,000	5,922	453,763		462,821	31,622,283

Source:
1996 FMPM Table FMP-9

Table 5 - SUMMARY OF MANAGED PRODUCTIVE FOREST BY FOREST UNIT (FMP-9) 2001 FMP

Forest Unit	Age Class	Protection Forest		Production Forest				
		Area (ha)	Volume (m^3)	Unavailable		Stage of Management	Available	
				Area (ha)	Volume(m^3)		Area (ha)	Volume(m^3)
Prw Mix	0	0	0				27	0
	1-20	0	0				891	336
	21-40	0	0				97	5,317
	41-60	8	0				540	42,700
	61-80	180	0				2,403	279,944
	81-100	245	0				1,936	248,087
	101-120	61	0				659	81,268
	121-140	53	0				441	49,298
	141-160	0	0				113	12,755
	161-180	0	0				10	910
	181-200	31	0				0	0
Prw Mix Subtotal		578	0				7,117	720,615
Pr Dom	0	0	0				223	0
	1-20	0	0				719	2,434
	21-40	0	0				47	3,789
	41-60	0	0				20	4,157
	61-80	2	0				133	28,328
	81-100	0	0				11	1,658
	101-120	0	0				130	21,598
Pr Dom Subtotal		2	0				1,283	61,964
Pj Pure	0	0	0				720	0
	1-20	4,607	0				25,442	20,134
	21-40	254	0				2,938	73,401
	41-60	1,305	0				7,699	832,559
	61-80	2,196	0				9,966	1,103,323
	81-100	1,101	0				2,999	325,561
	101-120	131	0				343	39,794
	121-140	9	0				155	10,775
Pj Pure Subtotal		9,603	0				50,262	2,405,547
Pj Mix	1-20	4,309	0				10,881	15,732
	21-40	407	0				1,805	25,144
	41-60	824	0				4,435	344,772
	61-80	4,345	0				14,828	1,295,091
	81-100	3,096	0				7,548	715,082
	101-120	425	0				2,122	208,976
	121-140	111	0				1,454	121,892
	181-200	0	0				26	650
Pj Mix Subtotal		13,517	0				43,099	2,727,339

Table 5 - SUMMARY OF MANAGED PRODUCTIVE FOREST BY FOREST UNIT (FMP-9) 2001 FMP

Forest Unit	Age Class	Protection Forest		Production Forest				
		Area (ha)	Volume (m^3)	Unavailable		Stage of Management	Available	
				Area (ha)	Volume(m^3)		Area (ha)	Volume(m^3)
Sp Upland	0	0	0				150	0
	1-20	1,086	0				9,644	2,319
	21-40	12	0				180	3,101
	41-60	67	0				1,327	70,424
	61-80	458	0				4,332	409,919
	81-100	425	0				2,641	295,121
	101-120	50	0				1,768	214,474
	121-140	74	0				1,381	146,083
	141-160	4	0				94	11,142
	200+	0	0				2	
Spruce Upland Subtotal		2,176	0				21,519	1,152,583
Sp Mix	1-20	567	0				929	2,866
	21-40	9	0				196	8,088
	41-60	310	0				1,837	142,660
	61-80	1,278	0				7,000	725,628
	81-100	1,165	0				5,551	629,698
	101-120	268	0				1,837	198,696
	121-140	153	0				1,909	159,711
	141-160	0	0				71	5,609
Spruce Mix Subtotal		3,750	0				19,330	1,872,956
Sb Low	0	0	0				27	0
	1-20	140	0				4,474	56
	21-40	9	0				210	789
	41-60	21	0				1,048	21,949
	61-80	586	0				4,421	247,251
	81-100	1,448	0				5,470	511,125
	101-120	497	0				1,769	189,935
	121-140	226	0				1,111	120,655
	141-160	24	0				226	17,303
Sb Low Subtotal		2,951	0				18,756	1,109,063
Con Mix	0	0	0				48	0
	1-20	1,485	0				17,985	51,672
	21-40	796	0				11,852	301,579
	41-60	2,247	0				22,689	1,644,379
	61-80	5,086	0				41,771	3,860,364
	81-100	2,587	0				15,106	1,571,841
	101-120	343	0				3,110	312,482
	121-140	31	0				870	72,004
	141-160	0	0				176	10,844
	161-180	0	0				31	1,621
	181-200	0	0				37	2,627
Conifer Mix Subtotal		12,575	0				113,675	7,829,413

Table 5 - SUMMARY OF MANAGED PRODUCTIVE FOREST BY FOREST UNIT (FMP-9) 2001 FMP

Forest Unit	Age Class	Protection Forest		Production Forest				
		Area (ha)	Volume (m^3)	Unavailable		Stage of Management	Available	
				Area (ha)	Volume(m^3)		Area (ha)	Volume(m^3)
Bf Dom	1-20	55	0				3,904	572
	21-40	115	0				1,787	68,553
	41-60	267	0				4,110	265,179
	61-80	180	0				1,741	155,687
	81-100	23	0				228	14,415
Balsam Fir Dom Subtotal		640	0				11,770	504,406
OC Low	0	0	0				9	0
	1-20	11	0				1,135	0
	21-40	0	0				68	476
	41-60	0	0				235	7,371
	61-80	311	0				2,386	119,582
	81-100	221	0				2,019	135,193
	101-120	0	0				619	57,939
	121-140	14	0				621	48,840
	141-160	45	0				52	3,791
	161-180	15	0				0	0
Other Conifer Subtotal		617	0				7,144	373,192
Hdwd Dom	0	0	0				690	0
	1-20	114	0				12,780	29,881
	21-40	45	0				3,706	149,324
	41-60	99	0				9,746	982,680
	61-80	215	0				19,961	2,514,798
	81-100	0	0				3,889	489,924
	101-120	0	0				325	30,359
	121-140	0	0				1	17
Hdwd Dom Subtotal		473	0				51,098	4,196,983
Hdwd Mix	1-20	206	0				10,945	47,219
	21-40	223	0				9,458	274,807
	41-60	1,154	0				26,989	1,845,058
	61-80	1,254	0				45,725	4,037,831
	81-100	126	0				8,267	857,715
	101-120	0	0				576	61,622
Hdwd Mix Subtotal		2,963	0				101,960	7,124,252
Oth Hdwd	0	0	0				6	0
	1-20	0	0				183	0
	21-40	0	0				93	2,202
	41-60	0	0				421	21,067
	61-80	17	0				1,947	151,150
	81-100	12	0				988	108,719
	101-120	26	0				92	11,849
	121-140	0	0				67	8,202
Oth Hdwd Subtotal		55	0				3,797	303,189

Table 5 - SUMMARY OF MANAGED PRODUCTIVE FOREST BY FOREST UNIT (FMP-9) 2001 FMP

Forest Unit	Age Class	Protection Forest		Production Forest				
		Area (ha)	Volume (m^3)	Unavailable		Stage of Management	Available	
				Area (ha)	Volume(m^3)		Area (ha)	Volume(m^3)
All Forest Units	0	0	0				1,900	
	1-20	12,580	0				99,912	173,221
	21-40	1,870	0				32,437	916,570
	41-60	6,302	0				81,096	6,224,955
	61-80	16,108	0				156,614	14,928,896
	81-100	10,449	0				56,653	5,904,139
	101-120	1,801	0				13,350	1,428,992
	121-140	671	0				8,010	737,477
	141-160	73	0				732	61,444
	161-180	15	0				41	2,531
	181-200	31	0				63	3,277
	200 +	0	0				2	
All Forest Units Total		49,900	0				450,810	30,381,502

Source:
1996 FMPM Table FMP-9

Table 5 - SUMMARY OF MANAGED PRODUCTIVE FOREST BY FOREST UNIT - 1996 FMP

Forest Unit	Age Class	Protection Forest*		Production Forest				
		Area (ha)	Volume (m^3)	Unavailable		Stage of Management	Available	
				Area (ha)	Volume(m^3)		Area (ha)	Volume(m^3)
Pine (both red and white pine)	B & S						806	-
	1-20						79	-
	21-40						136	-
	41-60						406	-
	61-80						2,100	-
	81-100						1,852	-
	101-120						1,214	-
	121 +						236	-
Pine Subtotal		3,798	-				6,829	-
Jack pine	B & S						64,704	-
	1-20						11,711	-
	21-40						1,842	-
	41-60						34,356	-
	61-80						41,131	-
	81-100						13,199	-
	101-120						5,928	-
	121 +						7,357	-
Jack Pine Subtotal		32,275	-				180,228	-
Spruce	B & S						22,698	-
	1-20						1,224	
	21-40						3,173	-
	41-60						6,799	-
	61-80						18,091	-
	81-100						12,231	-
	101-120						6,941	-
	121 +						9,430	-
Spruce Subtotal		12,734	-				80,586	-
Balsam Fir	B & S						8,622	-
	1-20						97	-
	21-40						2,711	-
	41-60						34,266	-
	61-80						9,106	-
	81-100						438	-
	101-120						80	-
	121 +							-
Balsam Fir Subtotal		9,309	-				55,321	-
Other Conife	B & S						620	-
	1-20							
	21-40							-
	41-60						555	-
	61-80						2,132	-
	81-100						2,425	-
	101-120						2,435	-
	121 +						4,235	-
Other Conifer Subtotal		2,222	-				12,402	-

Table 5 - SUMMARY OF MANAGED PRODUCTIVE FOREST BY FOREST UNIT - 1996 FMP

Forest Unit	Age Class	Protection Forest*		Production Forest				
		Area (ha)	Volume (m^3)	Unavailable		Stage of Management	Available	
				Area (ha)	Volume(m^3)		Area (ha)	Volume(m^3)
Poplar	B & S						20,087	-
	1-20						1,802	-
	21-40						2,210	-
	41-60						19,749	-
	61-80						58,744	-
	81-100						24,644	-
	101-120						3,510	-
	121 +						291	-
Poplar Subtotal		29,010	-				131,038	-
Other Hardwood	B & S						490	-
	1-20							
	21-40						92	-
	41-60						1,536	-
	61-80						2,827	-
	81-100						1,300	-
	101-120						337	
	121 +						112	
Other Hardwood Subtotal		7,217					6,694	-
All Forest Units	B & S						118,028	
	1-20						14,914	
	21-40						10,164	
	41-60						97,667	
	61-80						134,131	
	81-100						56,090	
	101-120						20,445	
	121 +						21,660	
Total		96,565					473,099	-

* Protection Forest includes bypass area.

Source:
TMPM table 4.8.2
TMPM table 4.9

Table 5 - SUMMARY OF MANAGED PRODUCTIVE FOREST BY FOREST UNIT - 1991 FMP

Forest Unit	Age Class	Protection Forest*		Production Forest				
		Area (ha)	Volume (m^3)	Unavailable		Stage of Management	Available	
				Area (ha)	Volume(m^3)		Area (ha)	Volume(m^3)
White Pine	B & S						327	-
	1-20						19	-
	21-40							-
	41-60						350	-
	61-80						789	-
	81-100						1,488	-
	101-120						376	-
	121-140						239	-
White pine Subtotal		2,698	-				3,588	-
Red Pine	B & S						448	-
	1-20						39	-
	21-40						82	-
	41-60						823	-
	61-80						1,386	-
	81-100						760	-
	101-120						36	-
	121 +						125	-
Red Pine Subtotal		1,205	-				3,699	-
Jack pine	B & S						59,875	-
	1-20						2,004	-
	21-40						3,075	-
	41-60						49,339	-
	61-80						31,001	-
	81-100						14,695	-
	101-120						12,583	-
	121 +						1,150	-
Jack Pine Subtotal		24,634	-				173,722	-
Spruce	B & S						19,641	-
	1-20						2,172	
	21-40						2,179	-
	41-60						13,397	-
	61-80						15,959	-
	81-100						15,689	-
	101-120						8,929	-
	121 +						5,657	-
Spruce Subtotal		7,760	-				83,623	-
Balsam Fir	B & S						4,998	-
	1-20						194	-
	21-40						7,489	-
	41-60						38,422	-
	61-80						4,676	-
	81-100						207	-
	101-120						63	-
Balsam Fir Subtotal		7,942	-				56,049	-

Table 5 - SUMMARY OF MANAGED PRODUCTIVE FOREST BY FOREST UNIT - 1991 FMP

Forest Unit	Age Class	Protection Forest*		Production Forest				
		Area (ha)	Volume (m^3)	Unavailable		Stage of Management	Available	
				Area (ha)	Volume(m^3)		Area (ha)	Volume(m^3)
Other Conife	B & S						578	-
	1-20							
	21-40							-
	41-60						1,245	-
	61-80						2,081	-
	81-100						3,237	-
	101-120						3,191	-
	121 +						2,605	-
Other Conifer Subtotal		1,833	-				12,937	-
Poplar	B & S						19,361	-
	1-20						2,379	-
	21-40						1,705	-
	41-60						36,517	-
	61-80						53,590	-
	81-100						20,021	-
	101-120						2,137	-
	121 +						137	-
Poplar Subtotal		24,287	-				135,847	-
White Birch	B & S						393	-
	1-20						54	-
	21-40						48	-
	41-60						3,152	-
	61-80						1,088	-
	81-100						653	-
	101-120						19	-
White Birch Subtotal		4,497	-				5,407	-
Other Hardwood	B & S						127	-
	1-20							
	21-40						4	-
	41-60						447	-
	61-80						1,737	-
	81-100						620	-
	101-120						169	
	121 +						16	
Other Hardwood Subtotal		1,211	-				3,120	-
All Forest Units	B & S						105,748	-
	1-20						6,861	
	21-40						14,582	-
	41-60						143,692	-
	61-80						112,307	-
	81-100						57,370	-
	101-120						27,503	
	121 +						9,929	
All Forest Units total		76,067	-				477,992	-

* Protection Forest includes bypass area.

Source:
TMPM table 4.8.2
TMPM table 4.9

Available Area (Table 5)

	age class						
Term	0-20	21-40	41-60	61-80	81-100	101-120	121+
1991-1996	112,609	14,582	143,692	112,307	57,370	27,503	9,929
1996-2001	132,942	10,164	97,667	134,131	56,090	20,445	21,660
2001-2006	101,812	32,437	81,096	156,614	56,653	13,350	8,848
2006-2011	62,468	77,386	60,499	155,993	80,916	15,502	10,057

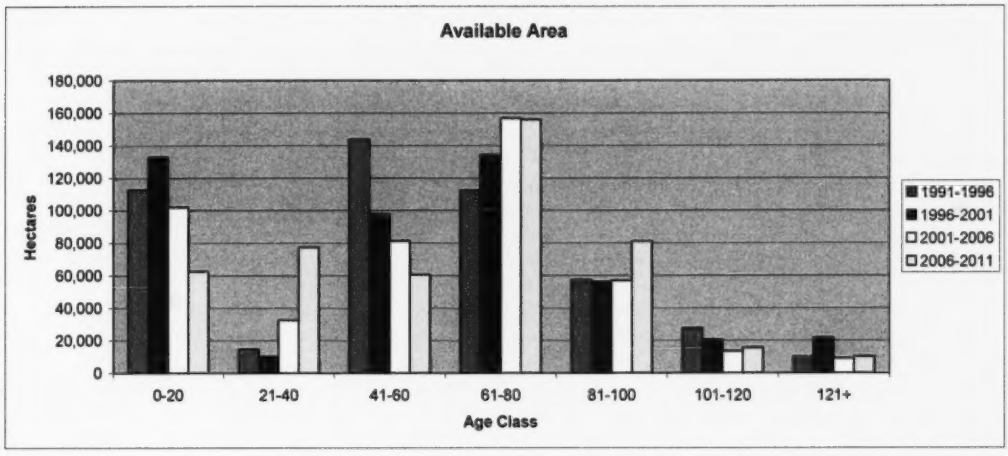


Table 6 – Summary Report of Renewal, Tending and Protection Operations

Table 6 compares the planned vs. actual renewal and tending areas over the 4 FMP terms. In this table, areas are annualized for the indicated 5 year period. The current term 2006-2011 in the actual area section is based on one year's data as this was all that was available in this current FMP term. The main reason for the reduced levels of actual renewal and maintenance is due to the lack of harvest. Lower amounts of areas being harvested results in reduced area available to do renewal and maintenance. The reasons for the reduced actual harvest are discussed in detail in the text for table 3 (planned and actual volumes). Beyond that, there are are a few other anomalies discussed below.

There were 1100 ha of selection harvest natural regeneration planned for the Other Hardwood (black ash) forest unit in the 2001-2006 FMP, but only 130 ha of corresponding planned selection harvest and 10 ha of actual harvest (see Table 4) in this forest unit. This appears to be a typo.

Most white pine stands on the Kenora Forest tend to be more suited to a seed-tree prescription due to the rugged terrain and low stocking. Planned shelterwood harvest was completed with a clearcut seed-tree prescription in the 2001-2006 term and previous terms with excellent regeneration results, and this was the reason for the change in forest unit classification for the 2006-2011 FMP.

No natural regeneration was reported for the first year of the 2006-2011 FMP. The decision was made to wait until adjacent renewal treatments are complete before mapping and reporting.

No seeding was completed on the Kenora Forest from 1996 until 2004, when aerial seeding operations resumed. Before that time it was felt that natural regeneration was adequate for the sites encountered. A decision was made to start seeding again to hopefully improve stocking and reduce regeneration lag on shallow sites. Aerial seeding on site prepared and non-prepared ground since then seems to be working well and meeting those objectives.

No PBs were carried out in 2001-2006, although many hectares were planned. It is believed that cost and liability were the main issues. For the 2006-2011 term, the planned numbers reflect only slash pile burning.

Levels of manual cleaning and chemical ground tending were reduced due to a decision to delay treatment until crop trees are older and can stay above competition after tending. It has also been difficult to find contractors the last couple of years. Also, a recent strategy to site prepare and plant around dense poplar regen, rather than directly in poplar regen patches has reduced the need for tending.

Most of the thinning planned for conifer forest units in the 2001-2006 term was not carried out. It was difficult to find qualified contractors, and an economic evaluation of jack pine thinning on poor sites prevalent on the forest showed negative returns.

There were no planned protection activities, however a jack pine budworm outbreak in 2005 and 2006 prompted the OMNR to spray a large area on the Kenora Forest. The outbreak seemed to crash in 2007.

2008 Independent Forest Audit

MU: Kenora Forest

Table 6 - SUMMARY REPORT OF RENEWAL, TENDING AND PROTECTION OPERATIONS (RPFO-7 and/or AR-7)

Area is Annualized for the indicated 5 year period	Area Summary of all Forest Units (ha)							
	1991-1996		1996-2001		2001-2006		2006-2011*	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
Renewal								
Regeneration								
Uneven-Aged Management								
Selection Cut - Harvest					220	0		
Total Uneven-Aged Management					220	0	0	0
Even-Aged Management								
Natural Regeneration								
Clearcut	1,500		2,760	424	2,417	547	1,995	
Strip Cut	40		200	28	0			
Seed Tree Cut		22	20		0	11		
Uniform Shelterwood Seed Cut	120	13	80	26	117		39	
Subtotal Natural	1,660	35	3,060	479	2,534	558	2,032	0
Artificial Regeneration								
Planting	630	479	319	242	1,104	365	770	367
Seeding direct	800	126	500		232	94	499	588
with site preparation					0			
Scarification					0			
Subtotal Artificial	1,430	605	819	242	1,336	459	1,269	956
Total Even-Aged Management	3,090	640	3,879	721	3,870	1,017	3,301	956
Total Regeneration	3,090	640	3,879	721	4,090	1,017	3,301	956
Site Preparation								
Mechanical	1,130	424	879	218	607	272	963	468
Chemical	160	161	60		497	4	10	
Prescribed Burn	40		60		1,647	13	81	55
Total Site Preparation	1,330	584	998	218	2,752	289	1,054	523
Tending								
Cleaning								
manual		29		32	580	11	40	
chemical - ground	30	102	140	241	552	129	204	
- aerial	600	236	260	52	0			
mechanical					0			
prescribed burn					0			
Spacing, pre-commercial thinning, improvement cutting								
even-aged	400	38	340	266	662	4	64	
uneven-aged					0			
Cultivation				15	0			
Total Tending	1,030	405	740	610	1,795	144	308	0
Protection (Insect Pest Control)	[redacted]		[redacted]		[redacted]		[redacted]	
accelerated harvest								
salvage								
manual protection								
ground insecticide								
aerial insecticide								5,556
Total Protection								5,556

Source:

planned: TMPM Table 4.19, FMPM Table FMP-25

actual: TMPM Table 4.4, 1996 FMPM Table RPFO-7 and annual reports; 2004 FMPM AR-7

*** Current term 2006-2011 is based on one fiscal year data (2006-07)**

Table 7 – Harvested Area Successfully Regenerated – Summary of all forest units

This table shows for the area harvested between 1993 and 1998 (five fiscal years 1993/1994 to 1997/1998), how much of that area was surveyed for regeneration success, how much surveyed area was successfully regenerated and how much harvest area was not surveyed. Data from Weyerhaeuser's GIS was used to determine the areas harvested and surveyed. The harvest records for the period were obtained from the OMNR, while FTG surveys for those areas were completed in 2004 and 2007 by Weyerhaeuser. For this 5 year period, out of 6,791 hectares harvested, 78% or 5,317 hectares was surveyed. Of the 5,317 hectares surveyed, 97% or 5,159 hectares successfully regenerated. There was 158 hectares surveyed which was not successfully regenerated, and fell into the categories outlined in table 7 of: NSR, barren and scattered, roads and landings, or other. These areas include small non-productive patches that were not typed out in the original FRI but recorded as harvested, as well as a few larger parts of naturally-regenerated cut blocks that did not meet regeneration standards for stocking or height. The latter areas will be ground truthed within the next two years.

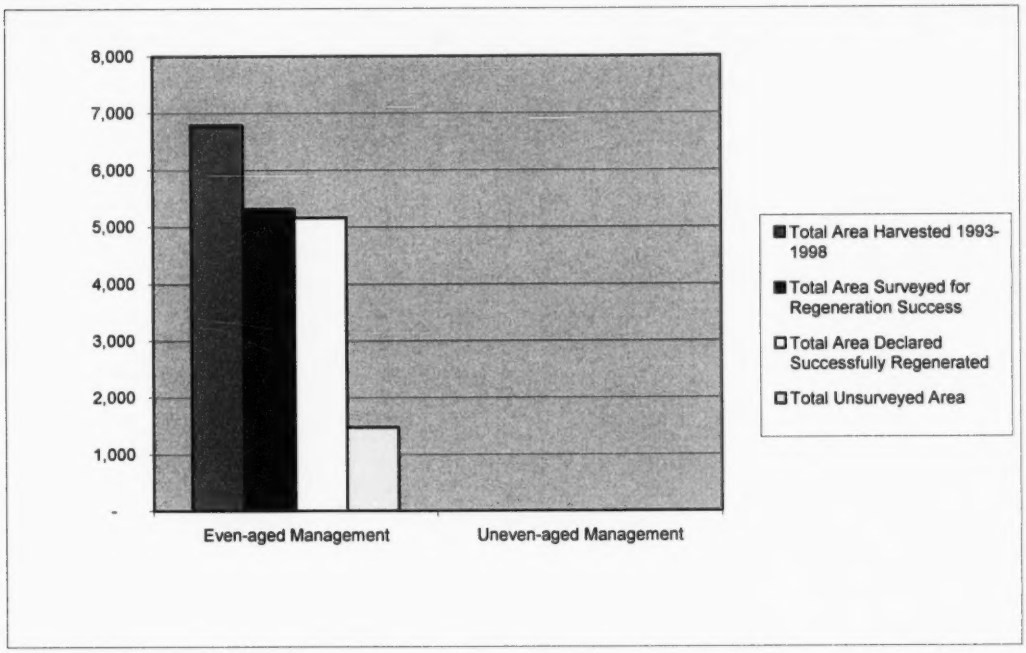
These results show a high success rate and a good rate of survey information available on harvested areas. An action plan is in place to address the remaining 1,474 ha that have not been surveyed yet.

2008 Independent Forest Audit

Table 7 - Harvested Area Successfully Regenerated - Summary of All Forest Units

MU: Kenora Forest

	AREA IN HECTARES (All Forest Units Combined)	*AREA IN HECTARES (All Forest Units Combined)*
	Even-aged Management	**Uneven-aged Management**
Total Area Harvested 1993-1998	6,791	-
Total Area Surveyed for Regeneration Success	5,317	-
Total Unsurveyed Area	1,474	-
Total Area Declared Successfully Regenerated	5,159	-
Total Area Surveyed Not Successfully Regenerated	-	-
NSR	-	-
B&S	158	-
Not Available for Regen. (eg. Roads & landings)	-	-
Other	-	-
Percent of Area Surveyed Declared Successfully Regenerated	97.0%	



Source:
total area harvested: annual reports and silviculture records (GIS)
survey results: silviculture records (GIS)

Summary

Reduction of the productive landbase through additional protected areas (e.g. OLL) and deferral of potential harvest areas to satisfy other non-timber values (e.g. marten, caribou) has resulted in decreased planned harvest over time.

Poorly developed access to working circle 1 (north) and none to working circle 4 (Aulneau Peninsula) has been an issue in all plans. In the current plan, an expensive bridge is planned for installation in 2009 to access a large part of working circle 1. This construction is dependent on First Nation agreement as it crosses a reserve. The Aulneau Peninsula is planned for ice road access in the current plan. This is also dependent on First Nation agreement and weather, and it will be a costly operation.

Under-achievement of harvest targets has resulted in corresponding under-achievement in renewal, although the mix of treatments is proportionally similar to planned activities. Market changes and mill changes have been a significant factor in determining actual harvest levels. With the closure of the Abitibi pulp mill (permanent), closure of the Devlin sawmill (permanent), closure of the Kenora Forest Products sawmill (temporary) and startup of the Weyerhaeuser LSL mill in the last few years, demand for conifer has decreased and demand for hardwood has increased.

Appendix B

Audit Team Members and Qualifications

Name	*Role*	*Responsibilities*	*Credentials*
Mr. Bruce Byford R.P.F. Arbex Forest Resource Consultants Ltd.	Lead Auditor Forest Management & Silviculture Auditor	Audit Management & coordination Liaison with OMNR & Auditee Review documentation related to forest management planning and review and inspect silviculture practices Determination of the sustainability component.	B.Sc.F. ISO 14001 Lead Auditor Training. FSC assessor training. 28 years of consulting experience in Ontario in forest management planning and resource inventory. Previous lead auditor work experience on 10 IFA audits and 15 FSC certification assessments.
Mr. Al Stewart Arbex Senior Associate	Wildlife/First Nations Auditor	Review & inspect AOC documentation & practices First Nations consultation Determination of the sustainability component.	B.Sc. (Agr) ISO 14001 Lead Auditor Training. FSC assessor training. 39 years experience in natural resource management planning, field operations, policy development, auditing and working with First Nation communities. Previous work experience on 10 IFA audits.
Mr. David Watton Arbex Senior Associate	Forest Management Planning & Public Participation Auditor	Review documentation and practices related to forest management planning & public participation Determination of the sustainability component.	B.Sc., M.Sc. ISO 14001 Lead Auditor Training. 39 years experience in natural resource management planning, land use planning, field operations, and policy development. Previous work experience on 9 IFA audits.

Mr. Trevor Isherwood R.P.F. Tri-lac Forestry Services Arbex Associate	Silvicultural, Forest Management and Contractual Compliance Auditor	Review and inspect silvicultural practices and related documentation Review and inspect documents related to contractual compliance and socio-economics Determination of the sustainability component.	B.Sc.F. Former General Manager of SFL 39 years experience in forest management and operations. Previous work experience on 6 IFA audits.
Mr. Nick Baggs R.P.F. NGB Forest Management Consulting	Technical Advisor - SFMM	Analysis of SFMM model outputs and decision criteria and the determination of the sustainability component.	B.Sc.F. R.P.F. Previous work experience on IFA audits and FSC certification assessments. Experience as OMNR Planning Forester & Unit Forest.
Dorothy Dobrik GIS Specialist Arbex Forest Resource Consultants Ltd.	Administrative Assistant	Administrative Support to the audit including GIS support for the selection of sample sites.	B.A. Geography, Diploma Forestry Tech Diploma GIS Specialist Previous administrative support in IFA and FSC audits.

Appendix C

Independent Forest Audit Guiding Principles

There are eight guiding principles in the 2008 Independent Forest Audit Process and Protocol, which guide the audit.

Commitment Commitment is reflected in vision, mission, and policy statements of the Company and adherence to legislation and policies. Vision and mission statements are intended to provide long-term guidance for the organization. Policy statements reflect how the organization's vision and mission will be achieved. These statements must be reflected in the day-to-day operations of the organization.
Public Consultation and Aboriginal Involvement The process of sustainable forest planning, implementation, and monitoring must be conducted in an open consultative fashion, with the involvement of the Local Citizen's Committee, Aboriginal communities, and other parties with an interest in the operations of the forest Unit.
Forest Management Planning The forest management planning process involves the input from all members of the planning team as well as public consultation and Aboriginal involvement to describe the current condition of the forest, values and benefits to be obtained from the forest, the desired condition of the forest in the future, and the best methods to achieve that goal. Planning requirements have been established which must be followed by all forest management units.
Plan Assessment and Implementation Verification of the actual results of operations in the field compared to the planned assumptions and planned operations is required to be able to assess planning as well as the effective achievement of the plan objectives and compliance with laws and regulations.
System Support System support concerns resources and activities needed to support plan development and implementation so as to achieve the desired objectives. The organization's human resources and information management systems must support sustainable forest management.
Monitoring Monitoring programs must be developed and implemented to assess

compliance and effectiveness of operations in relation to the FMP, laws and regulations. Operations must be reported regularly and reporting must examine the effectiveness of these operations in achieving management objectives.
Achievement of Management Objectives & Forest Sustainability Periodic assessments of the forest management unit operations must be made in order to determine whether management objectives, including forest sustainability objectives, are being achieved. This includes comparing the values of the planned indicators against the actual values and assessing the reasons for any significant deviations.
Contractual Compliance The licencee must comply with the specific licence requirements. Specific requirements, when relevant to MNR, must be followed.

Appendix D

List of Acronyms

ACOP	Annual Compliance Operations Plan
AHA	Available Harvest Area
AKRC	Anishinaabeg of Kabapikotawangag Resource Council Inc.
AOC	Area of Concern
AR	Annual Report
AWS	Annual Work Schedule
B&S	Barren and Scattered
CFSA	Crown Forest Sustainability Act
CHPM	Cultural Heritage Predictive Model
CSA-SFM	Canadian Standards Association Sustainable Forest Management
DM	District Manager
FIM	Forest Information Manual
FMP	Forest Management Plan
FMPM	Forest Management Planning Manual
FMNCP	Forest Management Native Consultation Program
FMU	Forest Management Unit
FN	First Nation
FOCIS	Forest Operations Compliance Information System
FOIP	Forest Operations Information Program
FOIR	Forest Operation Inspection Reports
FOP	Forest Operations Prescription
FRI	Forest Resource Inventory
FRL	Forest Resource License
FSC	Forest Stewardship Council
FTG	Free-to-Grow
FU	Forest Unit
GIS	Geographic Information System
Ha	Hectares
IEA	Individual Environmental Assessment
IFA	Independent Forest Audit
IFAPP	Independent Forest Audit Process and Protocol
KILA	Kenora Independent Loggers Association
Kms	Kilometres
LCC	Local Citizens Committee
m	Metres
m^3	Cubic Metres
m^3/yr	Cubic Metres per Year

MOE	Ministry of Environment
MOU	Memorandum of Understanding
NDPEG	Natural Disturbance Pattern Emulation Guide
NIC	Not-in-Compliance
NRVIS	Natural Resource Values Information System
OFRL	Overlapping Forest Resource Licencees
OMNR	Ontario Ministry of Natural Resources
RD	Regional Director
R.P.F.	Registered Professional Forester
RPFO	Report of Past Forest Operations
RSA	Resource Stewardship Agreement
SEIM	Socio-Economic Impact Modeling
SEV	Statement of Environmental Value
SFI	Sustainable Forestry Initiative
SFL	Sustainable Forest Licence
SFMM	Strategic Forest Management Model
SGR	Silvicultural Ground Rule
SIP	Site Preparation
SMA	Selected Management Alternative
SOP	Standard Operating Procedure
STP	Silvicultural Treatment Packages
T&C 77	Term and Condition # 77 of the Class EA Report
T&C 34	Term and Condition #34 of the Class EA Report
TLUA	Traditional Land Use Area
TOR	Terms of Reference
WC	Working Circle

Appendix E

Summary of Input to Audit Process

The following paragraphs briefly summarize the contacts and issues that emerged during the audit. Complete discussions of the issues, audit findings, assessments and any associated recommendations are discussed throughout the body of the report.

General Public / Other Stakeholders:

A notification explaining the requirement for the Independent Audit, the date, a map of the Forest, and an invitation to participate was placed in the Kenora Daily Miner and News. A random sample of 650 individuals on the 2006 FMP mailing list (35%) was sent correspondence inviting them to complete a survey (mail-in or on-line) with respect to forest management on the Kenora Forest. They were invited to contact the Auditor by mail, e-mail or telephone to express their concerns and views. Four responses were received. Additional interviews were conducted with three members of the general public.

- Concern that the Kenora Mill sawmill remain viable and sustainable over the long term.
- Concerns that First Nation issues and the involvement of outside environmental groups were threatening the viability of forestry operations and employment in the Kenora area.
- Concern with development and forest issues that would adversely affect the water quality of lakes and the natural qualities of forested areas and natural habitats.
- Concern over carbon residue in low lying areas, slash piles and the potential for fire, the need for aesthetic buffers, and concern about the potential for overharvest.

Cottager's Associations:

In-person or telephone interviews were held with three (3) cottager association representatives;

Two cottager's associations indicated that:

- They were aware of the FMP process and received related correspondence.
- They had a good relationship with Weyerhaeuser but were not too involved in the official planning process.
- Weyerhaeuser addressed concerns and modified some of the proposed forest management practices (e.g. a road access issue) to deal with their issues.

One cottager's association raised a series of concerns:

- Some concern that the public notice of initiation of the FMP process and related events was inadequate due to the fact that some cottagers do not live in the Kenora area.
- Concern that all cottager organizations do not have representation on the LCC.
- A concern that some areas should have not been identified for harvest due to their scenic value.
- A concern that the public needs better rationale for forest management decisions.
- The EA "bump-up" process is expensive and few bump-ups are actually granted.
- Concern about keeping the sound and sights of logging away from cottagers during peak vacation time.
- There was acknowledgment that Weyerhaeuser addressed concerns and modified some of the proposed forest management practices (e.g. a road access issue) to deal with their issues.

Tourism Operators:

Telephone interviews were held with six (6) tourism operators:

- OMNR and Weyerhaeuser had contacted the operators several times about participation in the RSA process.
- Two operators had signed RSAs and were pleased with the process.
- Increased access due to forest management was a big issue.
- There is value in the RSA process; however when you are not a year round resident the RSA and FMP processes are difficult to deal with.
- First Nations can hold up forest operations which affect opportunities for companies and employees as well as other First Nations.
- Neighboring OMNR Districts have different policies; one has restrictive access management and the other is more wide open.

The LCC:

LCC members received an individual letter inviting their participation and offering the opportunity for a personal interview. Two Auditors attended a formal LCC meeting and individual interviews were held with 9 members. Their collective concerns included:

- Unresolved First Nation issues that threaten future harvesting (and associated employment) on the Forest.

- Potential inaccuracies in the forest inventory with an associated impact on forest modeling assumptions and decisions based on those assumptions.
- The long term sustainability of the forest due to the unknown implications of climatic change on the forest resource.
- Future operational costs associated with accessing remote portions of the Forest.

Individual members raised specific concerns that included:

- A concern that burning slash piles destroyed important wildlife habitat.
- Aboriginals who do participate in forest planning are not generally empowered to make decisions or commitments on behalf of their community.
- Aboriginal leaders are using the forest management planning process as a surrogate for larger grievances related to land ownership, aspects of self government, etc.
- Concerns about the use of chemicals.
- Access restrictions to protect remote tourist operators penalize local residents.
- A failure on the part of OMNR to keep the town of Kenora fully informed about negotiations and possible future SFL arrangements with Aboriginal communities.

Aboriginal Communities:

The Chiefs of all First Nations and Tribal Councils listed in the 2006 FMP received letters and follow-up telephone calls explaining the audit process and requesting their involvement. A summary of the IFAPP criteria specific to First Nations was faxed/e-mailed to 6 Band Offices and 2 Treaty Council individuals at their request. Four telephone interviews and 2 face-to-face meetings were completed. The OMNR staff member with responsibilities for First Nation liaison was interviewed on several occasions. Identified concerns included:

- Some FN individuals felt the forest management planning process was flawed in that it considers forestry as primarily a commercial fiber removal process, with other non-timber values (culture, recreation, wildlife) as "constraints" that need to be accommodated.
- Some believe that participation in the planning process legitimizes a process that is incapable of fully addressing FN concerns.
- A concern that consultants and government staff sometimes assume, and report that a conversation with an individual Aboriginal person is reflective of an entire community.

- Concern that native values be respected in the forest management planning process.
- Concerns about lack of funding and human resources needed to effectively participate in forest management planning and decision making.
- Concern that the IFA process does not fully assess the effectiveness of the native consultation process in terms of inputs received from FNs and actions taken by OMNR and the SFL Holder, but rather is process oriented (i.e. were letters to participate in the FNCP issued, etc.).

Overlapping Licensees, Contractors and Commitment Holders:

Two members of the audit team met with members of the Kenora Independent Loggers Association during the field phase of the audit. An interview was conducted with the owner and forestry consultant of the firm harvesting in WC 2. Identified concerns included:

- The long term viability of logging operations on the Kenora Forest.
- Wood supply issues related to access to working circles and adjacent management units, the long duration of First Nation negotiations related to wood supply access, etc.
- Inaccuracy of the forest resource inventory.
- Lack of markets for some species and products.
- Economic decline of the forest sector.
- Cost of implementing safety and certification requirements.

SFL Holder:

Throughout the course of the audit all Weyerhaeuser staff members with significant roles in administration, planning, and operations on the Forest were interviewed and/or participated in meetings with the Auditors. Comments and concerns expressed included:

- Difficulties locating Aboriginal leaders/representatives that are empowered and prepared to make decisions and/or commitments on behalf of their community.
- Aboriginal leaders using the forest management planning process as a surrogate for larger grievances related to land ownership, aspects of self government, etc. The planning process was never designed to deal with those types of issues.

- A sense that their operations are "held captive" by Aboriginal issues that have little to do with forest planning/operations. Frustration by a perceived lack of government understanding/action.
- The complexity, cost and length of time associated with the development of a FMP.
- Problems related to the Forest Resource Inventory.
- Access to WC 1 and WC 4.
- Market challenges for some products and species.
- Weyerhaeuser had a good working relationship with District OMNR. Good support was received from the OMNR District and Region.
- A very large amount of time and effort was spent on the IEA process.

Ministry of Natural Resources:

Throughout the course of the audit all OMNR staff members with significant roles in administration, planning, and operations on the Forest were interviewed and/or participated in meetings with the Auditors. Most of their comments are reflected in the main body of this audit report. Some additional comments include:

- Difficulties "engaging" Aboriginal people and communities in forest planning (e.g. community background information, development of values maps).
- Aboriginal leaders using the forest management planning process as a surrogate for larger grievances related to land ownership, aspects of self government, etc. The planning process was never designed to deal with those types of issues.
- District OMNR and Weyerhaeuser had a good working relationship.
- Good planning support was received from the OMNR Region.
- A very large amount of time and effort was spent on the IEA process. The MOE decision allowed the plan to be implemented but the basic issues continue to exist.